

2013/14 to 2015/16



**ANNUAL BUDGET OF
MSUNDUZI LOCAL MUNICIPALITY
KZN225**

**2013/14 TO 2015/16
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS**

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ABBREVIATIONS AND ACRONYMS

AMR	Automated Meter Reading	PHC	Provincial Health Care
ASGISA	Accelerated and Shared Growth Initiative	PMS	Performance Management System
BPC	Budget Planning Committee	PPE	Property Plant and Equipment
CBD	Central Business District	PPP	Public Private Partnership
CFO	Chief Financial Officer	PTIS	Public Transport Infrastructure System
CM	City Manager	RG	Restructuring Grant
CPI	Consumer Price Index	RSC	Regional Services Council
CRRF	Capital Replacement Reserve Fund	SALGA	South African Local Government Association
DBSA	Development Bank of South Africa	SAPS	South African Police Service
DoRA	Division of Revenue Act	SDBIP	Service Delivery Budget Implementation Plan
DWA	Department of Water Affairs	SMME	Small Micro and Medium Enterprises
EE	Employment Equity		
EEDSM	Energy Efficiency Demand Side Management		
EM	Executive Mayor		
FBS	Free basic services		
GAMAP	Generally Accepted Municipal Accounting Practice		
GDP	Gross domestic product		
GDS	Gauteng Growth and Development Strategy		
GFS	Government Financial Statistics		
GRAP	General Recognised Accounting Practice		
HR	Human Resources		
HSRC	Human Science Research Council		
IDP	Integrated Development Strategy		
IT	Information Technology		
kl	kilolitre		
km	kilometre		
KPA	Key Performance Area		
KPI	Key Performance Indicator		
kWh	kilowatt		
l	litre		
LED	Local Economic Development		
MBRR	Municipal Budget & Reporting Regulations		
MEC	Member of the Executive Committee		
MFMA	Municipal Financial Management Act Programme		
MIG	Municipal Infrastructure Grant		
MMC	Member of Mayoral Committee		
MPRA	Municipal Properties Rates Act		
MSA	Municipal Systems Act		
MTEF	Medium-term Expenditure Framework		
MTREF	Medium-term Revenue and Expenditure Framework		
NERSA	National Electricity Regulator South Africa		
NGO	Non-Governmental organisations		
NKPIs	National Key Performance Indicators		
OHS	Occupational Health and Safety		
OP	Operational Plan		
PBO	Public Benefit Organisations		

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MAYORAL BUDGET SPEECH FOR THE FINANCIAL PERIOD 2013-2014 DELIVERED ON THE 31ST OF MAY 2013

Honourable Speaker, Cllr Baijoo;
Deputy Mayor, Cllr Zuma
Colleagues in the Executive Committee
Fellow Councillors
All Distinguished Guests present;
The entire Management led by the Municipal Manager
Ladies and Gentleman

I am once again deeply honoured to stand before all of you to deliver the budget for the 2013/14 financial year. Chairman Mao once said ***"It is the duty of the cadres to serve the people. Without the people's interests constantly at heart, their work is useless"*** I stand here to present the peoples' budget informed by their interest, their wishes, their dreams and their goals for a better life for all. I am doing so mindful of the fact that if our budget is not informed by the wishes of the masses, Like Comrade Mao said, it is useless.

But not only is our work useless if it is not responsive to the needs of the masses, Comrade Mao further states that ***"masses are the greatest conceivable weapon for fighting against imperialism and domestic reactionaries"***. This then means that without our masse behind us and our side, we can forget about overcoming all the challenges confronting our society.

LEGISLATIVE REQUIREMENTS

Mindful of the legislative requirements that the IDP and budgeting processes needs to go through, ours has been a joyful journey as we have undertaken this process with the intentions of fulfilling the wishes of the voters who gave us this mandate through an overwhelming majority in the local government elections of 2011. Mr Speaker, I have no doubt that even if there were no such onerous legislative requirements, the journey that we have undertaken would have still remained relevant, informed by the democratic principles of the African National Congress which promotes a government of the people by the people for the people.

Accordingly Mr Speaker, it is my wish to state before this Council that we run an administration based on democratic principles as taught to us by the African National Congress, at the same time talking to Section 6(1) of the Municipal Systems Amendment Act which states that ***"a municipality's administration is governed by the democratic values and principles embodied in section 195(1) of the Constitution"***. Our Council is also a listening institution that takes the views and concerns of our people seriously as per Section 6(2) (a) which requires each municipality ***"to be responsive to the needs of local community and to facilitate a culture of public service and accountability amongst staff"***

Mr Speaker everywhere you go people will tell you that local Government is one sphere that is over legislated. I am not here to complain about that and it is not my space to do that. However I want to assure the Council that the IDP and Budget put before you for your consideration has met all the legislative requirements.

TARIFF MODELING AND BUDGET PREPARATION ASSUMPTIONS

Mr Speaker, last year we went through a paradigm shift in terms of tariff modelling. This year we have maintained the same tariff model. Mr Speaker, during the Budget Rates and Tariff hearings, a lot of our customers raised concerns about our MCB Charges as well as proposing the block tariffs. Regrettably we have not been to factor that in our current budget. I have already instructed the Municipal Manager and the Chief Financial Officer to work with the Rates Tariffs and Charges Committee to look into this matter. In addition, the Chairperson of the MPAC, Honourable Cllr Tarr has also offered to provide his assistance on the matter.



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Accordingly, our tariffs are as follows:

Rates

The rates residential exemption limit was maintained at R100 000 and an increase of 5.5% was applied. Various submissions were received during the hearings to increase this limit to R150 000, however, doing that would have resulted in a revenue loss of R8.4 million which our municipality can ill-afford at this time.

Refuse Tariff modelling

An increase of 5, 5%, which is in line with the inflation was factored in the current budget.

Water tariff modelling

Mr Speaker, you will recall that when we started the budgeting process, our proposed tariff was 10%. This was informed by the tariff increase imposed on us by the bulk supplier, Umngeni water and the demand for further capital outlay in areas where there is still no supply of portable water. Many of the inputs that we received were not happy with the proposed increase and we did listen.

The proposed 10% is based on Umngeni planned increase of 8% plus our operational costs markup of 2% for 2013/14

That the household consumers will be subsidized by 7 kl through indigent program. This is an increase of 1 kl per month per indigent household;

Accordingly we have increased the water tariff by 10% and increased a basic charge of R 15 by 5,5% for residential and increase the basic of R 25 by 5,5% for others.

BUDGET ASSUMPTIONS

The following assumptions have been used to prepare the proposed final budget,

Headline inflation forecasts

As part of the process of setting tariff increases and increasing the budget expenditure, National Treasury issued an inflation forecast through MFMA circular No 67 of 5.5%, 5.4% and 5.4% respectively over the MREF period. This has been well considered and this resulted in an increase in all tariffs except electricity and water to be increased below 10%.

Eskom bulk tariff increases

Mr Speaker, you will remember that we started with a proposed tariff of 18% increase for electricity. This was informed by the then submission of Eskom to NERSA, wherein they had requested a 16% increase. It is important to note here that this Council, EXCO in particular was very vocal in challenging such a hike by Eskom, Sasithi isixabanisa nabantu ngoba lokho u Eskom akwenyusayo nathi sifaka u2% ngaphezulu. Kodwa ke asibonge ukuthi sakhala kwezwakala ngoba uEskom wehlile ephoqwa uNERSA esuka ku 16% wayohlala ku 8%. Nathi sibe sesikwazi ukuthi sigcine sifake u 10% kuphela okuyiwona esenyusa ngawo ugesi. Accordingly the final tariffs is 10% made up of 8% charged by Eskom and 2% as our operational mark-up.

BUDGET RELATED POLICY REVIEW

Mr Speaker, the MFMA requires the municipality to review budget-related policies on an annual basis at the same time that it is preparing its budget. We have also done as such and would like to quickly take you through the policy changes that we have reviewed:



Credit Control & Debt Collection Policy: The changes to the Credit Control and Debt Collection policy encompass stricter credit control measures with respect to prepaid meters. Previously, the Credit Control and Debt Collection policy did not make provision for credit control action in respect of prepaid meters. The policy has been amended to ensure that there are no revenue leakages within this ambit.

Rates policy: The changes to the Rates policy are in terms of the Municipal Property Rates Act and accommodates the introduction of a rebate for developers and child headed households as outlined in the tariff register. These categories of owner are defined in the policy.

Tariff Policy: The changes to the tariff policy specify the change in terminology of the indigent tariff. The policy has been amended to apply the indigent tariffs as specified in the tariff register whereas previously this was referred to as a lifeline tariff.

Indigent Policy: The changes to the Indigent Policy are in terms of National Treasury recommendations. The policy has been amended to apply the indigent tariffs as specified in the tariff register whereas previously this was referred to as a lifeline tariff. The concessions have been amended as per National Treasury recommendations.

Budget policy: The changes to the Budget policy is mainly the removal certain clauses to be included on the procedure manual. The overall budget policy is informed by chapter 4 of the MFMA to a large extent.

Cash management & Investment policy: The changes to the cash management & investment policy is mainly the removal certain clauses to be included on the procedure manual.

Funding & reserves policy: This policy is being introduced for the first time, basically this policy is meant to guide the use reserves and other funding that may become available. This policy is necessary since R60 million of our capital budget will be funded from municipal own sources of income.

Virement policy: The changes to the virement policy are mainly to do with the removal of certain clauses to be included on the procedure manual.

WORDS OF GRATITUDE

Mr Speaker, EXCO members and fellow Councillors, let me take this opportunity to convey a few words of gratitude on your behalf:

Firstly we want to convey our gratitude to the National Treasury which continues to be a beacon of light for us. We take their advice very seriously, but we take full ownership of this budget and if there are flaws, no blame should be directed to the National Treasury, instead it should come to us

We also want to thank the Office of the Premier for continuing to provide assistance and to put us on the World map. Recently the Premier officially launched celebrations of the 175th anniversary of Pietermaritzburg. Despite his busy schedule he, and his entire office always respond positively to our calls;

We also want to thank the MEC for COGTA in KZN, Ms Dube for her continued support to Msunduzi. We want to give her our assurance that as the second biggest city in the province, her support has not gone to waste and because of it, we are fast becoming a city of choice second to none.

We want to convey our gratitude to all Cllrs, particularly the Budget Steering Committee, Rates, Tariffs and Charges Committee, the EXCO members and all Councillors who participated in the budget preparation process. We thank



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you for your contributions and want to tell you that this is only the beginning.

Mr. Speaker, I also want to convey the Council's gratitude to the Technical Budget Steering Committee lead by the Accounting Officer and the Chief Financial Officer. We are mindful of the sleepless and stressful hours that you have spent at work away from your families since the 23rd of January 2013. We thank you for such sacrifices.

CONCLUSION

Mr Speaker you would have noted that this budget speech is considerably shorter compared to the previous year. That was simply because in the previous year there were lots of changes in terms of tariff modelling and rates. This year we are saying the test of the pudding is in the eating. Accordingly we will talk less and do more.

In one of his books, Comrade Mao, the Chairperson of the Communist Part says” ***We may encounter many defeats along the way but we shall never be defeated***” With the IDP and Budget before you, Honourable Speaker, Deputy Mayor and fellow Councillors, I have no doubt in my mind that we shall never be defeated.

It is against this background Mr Speaker, that I now so move that the Council:

I. MOVE FOR THE IDP ADOPTION

IT IS RECOMMENDED THAT:

- 1.1 Council approves the Integrated Development Plan for 2013/14 to 2016/17.
- 1.2 The Municipal Manager be authorized to submit the approved Integrated Development Plan for assessment to COGTA within ten (10) days after approval by the council.

MOVE FOR THE ADOPTION OF THE BUDGET AND RELATED POLICIES

IT IS RECOMMENDED THAT:

- 2.1 The annual budget of the municipality for the financial year 2013/14 and the multi year and single-year capital appropriations as set out in the following tables is approved:
 - 2.1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2 on page 53;
 - 2.1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3 on page 55;
 - 2.1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4 on page 56; and
 - 2.1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5 on page 57 to 58.
- 2.2 The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 2.2.1 Budgeted Financial Position as contained in Table A6 on page 59 to 60;
 - 2.2.2 Budgeted Cash Flows as contained in Table A7 on page 61;
 - 2.2.3 Cash backed reserves and accumulated surplus reconciliation as contained in Table A8 on page 62;
 - 2.2.4 Asset management as contained in Table A9 on page 63 to 65

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; and

2.4.5 Basic service delivery measurement as contained in Table A10 on page 159.

2.3 With effect from 1 July 2013, the tariffs for property rates – as set out in Annexure A is approved as follows:

2.3.1 the tariffs for electricity – as set out in Annexure A

2.3.2 the tariffs for the supply of water – as set out in Annexure A

2.3.3 the tariffs for sanitation services – as set out in Annexure A

2.3.4 the tariffs for solid waste services – as set out in Annexure A

2.4 All the budget related policies as per the Annexure are submitted in terms of S7 of Municipal Budget and Reporting Regulations

2.5 With effect from 1 July 2013 the tariffs for other services, as set out in Annexures A, is approved.

2.6 To give proper effect to the municipality's annual budget, cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

I thank you.

Ngiyabonga

Baie dankie

Presented by Cllr C.J. Ndlela
Mayor: Msunduzi Municipality

May 30, 2013



MSUNDUZI ANNUAL BUDGET

PART I – ANNUAL BUDGET

I.I. Council Resolutions

I. Resolution

That the Full Council approves the Annual Budget for 2013/4 financial year and two outer years.

- 1.1 Council of Msunduzi Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) adopts budget as follows:
- 1.2 The annual budget of the municipality for the financial year 2013/14 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.2.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2;
 - 1.2.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3;
 - 1.2.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4; and
 - 1.2.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.
 - 1.2.5 The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.6 Budgeted Financial Position as contained in Table A6;
 - 1.2.7 Budgeted Cash Flows as contained in Table A7;
 - 1.2.8 Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;
 - 1.2.9 Asset management as contained in Table A9; and
 - 1.2.10 Basic service delivery measurement as contained in Table A10.
2. That Full Council approves the following tariffs, in terms of Municipal Systems Act (Act 32 of 2000) with effect from 1 July 2013:
 - 2.1 the tariffs for property rates – as set out in Annexure A,
 - 2.2 the tariffs for electricity – as set out in Annexure A
 - 2.3 the tariffs for the supply of water – as set out in Annexure A
 - 2.4 the tariffs for sanitation services – as set out in Annexure A
 - 2.5 the tariffs for solid waste services – as set out in Annexure A
3. All the budget related policies as per the Annexure are submitted in terms of S7 of Municipal Budget and Reporting Regulations
4. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

I.2. Executive Summary

The application of sound financial management principles for the compilation of the City's financial plan is essential and critical to ensure that the City remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

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The City's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The City has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the City has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circulars No. 51, 54, 55, 58, 59 and 67 were used to guide the compilation of the 2013/14 MTREF.

The main challenges experienced during the compilation of the 2013/14 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2013/14 MTREF process. The following budget principles and guidelines directly informed the compilation of the 2013/14 MTREF:
- The 2012/13 Adjustments Budget priorities and targets, as well as the base line allocations contained in the Adjustments Budget were adopted as the upper limits for the new baselines for the 2013/14 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2013/14 Medium-term Revenue and Expenditure Framework:



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Table 1 Consolidated Overview of the 2013/14 MTREF

KZN225 Msunduzi - Table A1 Consolidated Budget Summary										
Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Total Revenue (excluding capital transfers and contributions)	2,575,640	2,902,000	3,332,779	2,987,790	3,138,032	3,138,032	3,138,031	3,291,485	3,545,102	3,814,104
Total Expenditure	2,806,890	2,807,186	3,093,048	2,982,646	3,129,239	3,129,239	3,129,240	3,224,899	3,480,545	3,764,103
Surplus/(Deficit)	(231,250)	94,814	239,731	5,144	8,793	8,792	8,792	66,586	64,557	50,001
Transfers recognised - capital	78,407	84,654	148,674	230,014	216,719	216,719	216,719	383,158	204,271	202,390
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391

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KZN225 Msunduzi - Table A4 Budgeted Financial Performance (revenue and expenditure)

KZN225 Msunduzi - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	420,030	448,257	505,310	576,402	576,402	576,402	576,402	607,308	664,116	701,442
Property rates - penalties & collection charges		20,285	26,358	31,244	33,812	47,501	47,501	47,501	37,363	38,857	40,800
Service charges - electricity revenue	2	816,173	1,011,459	1,212,660	1,416,917	1,417,115	1,417,115	1,417,115	1,558,827	1,714,709	1,886,180
Service charges - water revenue	2	213,633	270,107	288,345	317,354	339,545	339,545	339,545	378,445	398,902	420,454
Service charges - sanitation revenue	2	76,207	102,592	107,507	114,000	125,263	125,263	125,263	132,153	139,281	146,795
Service charges - refuse revenue	2	53,287	65,559	70,091	78,752	73,547	73,547	73,547	77,592	81,841	86,311
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		15,571	17,313	17,944	19,534	23,949	23,949	23,948	20,255	22,889	25,787
Interest earned - external investments		6,757	13,752	25,907	12,100	18,356	18,356	18,357	27,029	27,454	28,519
Interest earned - outstanding debtors		21,161	38,044	65,794	-	1,152	1,152	1,152	1,255	1,292	1,318
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		7,084	5,354	3,813	3,475	3,566	3,566	3,566	3,634	3,830	4,037
Licences and permits		72	89	78	74	44	44	44	48	50	53
Agency services		1,435	577	374	382	533	533	533	586	592	603
Transfers recognised - operational		355,033	385,630	500,669	365,204	422,369	422,369	422,369	383,848	402,067	422,980
Other revenue	2	568,910	516,909	503,043	49,785	88,689	88,689	88,689	48,011	49,222	48,825
Gains on disposal of PPE									15,131		
Total Revenue (excluding capital transfers and contributions)		2,575,640	2,902,000	3,332,779	2,987,790	3,138,032	3,138,032	3,138,031	3,291,485	3,545,102	3,814,104
Expenditure By Type											
Employee related costs	2	626,885	634,106	666,198	713,415	731,928	731,928	731,928	779,721	819,440	861,792
Remuneration of councillors		19,386	18,418	31,427	34,000	34,001	34,000	34,000	36,419	38,422	40,535
Debt impairment	3	250,540	96,000	58,210	250,342	250,342	250,342	250,342	137,510	130,634	124,103
Depreciation & asset impairment	2	124,044	253,485	273,650	158,000	158,000	158,000	158,000	222,212	256,533	282,183
Finance charges		75,273	71,568	72,134	77,500	70,831	70,831	70,831	64,600	59,255	54,480
Bulk purchases	2	804,979	994,366	1,217,335	1,382,923	1,406,504	1,406,504	1,406,504	1,493,890	1,650,634	1,770,060
Other materials	8	-	-	-	14,154	19,046	19,046	19,046	23,861	25,220	25,658
Contracted services		-	-	67,803	56,948	65,754	65,754	65,754	57,176	59,886	61,919
Transfers and grants		4,342	3,967	4,144	4,500	4,500	4,500	4,500	5,027	5,274	5,563
Other expenditure	4, 5	903,640	735,314	702,148	290,862	388,332	388,334	388,334	404,483	435,248	537,811
Loss on disposal of PPE		(2,199)	(37)	-	-	-	-	-	-	-	-
Total Expenditure		2,806,890	2,807,186	3,093,048	2,982,646	3,129,239	3,129,239	3,129,240	3,224,899	3,480,545	3,764,103



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
Surplus/(Deficit)		(231,250)	94,814	239,731	5,144	8,793	8,792	8,792	66,586	64,557	50,001
Transfers recognised - capital		78,407	84,654	148,674	230,014	216,719	216,719	216,719	383,158	204,271	202,390
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391
Taxation											
Surplus/(Deficit) after taxation		(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391

The 2013/14 and 2014/15 surplus includes an amount of R60 million to fund capital projects.

Total operating revenue has grown by 4.89 per cent or R 153.5 million for the 2013/14 financial year when compared to the 2012/13 Adjustments Budget. For the two outer years, operational revenue will increase by 12.97 percent (R 407.1) and 7.8 per cent (R 269.0) respectively, equating to a total revenue growth of R676.1 million over the MTREF when compared to the 2012/13 financial year.

Total operating expenditure for the 2013/14 financial year has been appropriated at R3.2 billion and translates into a budgeted surplus of R66.6 million. When compared to the 2012/13 Adjustments Budget, operational expenditure has grown by 3.1 per cent in the 2013/14 budget and by 11.2 and 20.3 per cent for each of the respective outer years of the MTREF.

The capital budget of R 443.2 million (R 383.2 million grant funding plus R60 million internal funding) for 2013/14 has grown by 43.1 per cent when compared to the 2012/13 Adjustment Budget.



I.3 Operating Revenue Framework

In order for Msunduzi Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the City and continued economic development;
- Efficient revenue management, which aims to ensure a 85% per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the City.



MSUNDUZI ANNUAL BUDGET

The following table is a summary of the 2013/14 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

KZN225 Msunduzi - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	420,030	448,257	505,310	576,402	576,402	576,402	576,402	607,308	664,116	701,442
Property rates - penalties & collection charges		20,285	26,358	31,244	33,812	47,501	47,501	47,501	37,363	38,857	40,800
Service charges - electricity revenue	2	816,173	1,011,459	1,212,660	1,416,917	1,417,115	1,417,115	1,417,115	1,558,827	1,714,709	1,886,180
Service charges - water revenue	2	213,633	270,107	288,345	317,354	339,545	339,545	339,545	378,445	398,902	420,454
Service charges - sanitation revenue	2	76,207	102,592	107,507	114,000	125,263	125,263	125,263	132,153	139,281	146,795
Service charges - refuse revenue	2	53,287	65,559	70,091	78,752	73,547	73,547	73,547	77,592	81,841	86,311
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		15,571	17,313	17,944	19,534	23,949	23,949	23,948	20,255	22,889	25,787
Interest earned - external investments		6,757	13,752	25,907	12,100	18,356	18,356	18,357	27,029	27,454	28,519
Interest earned - outstanding debtors		21,161	38,044	65,794	-	1,152	1,152	1,152	1,255	1,292	1,318
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		7,084	5,354	3,813	3,475	3,566	3,566	3,566	3,634	3,830	4,037
Licences and permits		72	89	78	74	44	44	44	48	50	53
Agency services		1,435	577	374	382	533	533	533	586	592	603
Transfers recognised - operational		355,033	385,630	500,669	365,204	422,369	422,369	422,369	383,848	402,067	422,980
Other revenue	2	568,910	516,909	503,043	49,785	88,689	88,689	88,689	48,011	49,222	48,825
Gains on disposal of PPE									15,131		
Total Revenue (excluding capital transfers and contributions)		2,575,640	2,902,000	3,332,779	2,987,790	3,138,032	3,138,032	3,138,031	3,291,485	3,545,102	3,814,104



Table 3 Percentage growth in revenue by main revenue source

KZN 225 Msunduzi - Table A1 Consolidated Budget Summary									
Description	2013/14 Medium Term Revenue & Expenditure Framework			% Growth Rates: Estimates actual (Nominal)					
	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	2009/10-2010/11 Year on Year	2010/11-2011/12 Year on Year	2011/12-2012/13 Year on Year	2012/13-2013/14 Year on Year	2013/14-2014/15 Year on Year	2014/15-2015/16 Year on Year
R thousands							%		
Financial Performance									
Property rates	644,671	702,973	742,242	8%	13%	16%	3%	9%	6%
Service charges	2,147,016	2,334,733	2,539,740	25%	16%	16%	10%	9%	9%
Investment revenue	27,029	27,454	28,519	104%	88%	-29%	47%	2%	4%
Transfers recognised - operational	383,848	402,067	422,980	9%	30%	-16%	-9%	5%	5%
Other own revenue	88,920	77,876	80,624	-6%	2%	-80%	-25%	-12%	4%
Total Revenue (excluding capital transfers and contributions)	3,291,484	3,545,103	3,814,105	13%	15%	-6%	5%	8%	8%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as the inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and service charges forms a significant percentage of the revenue basket for the City. Rates and service charges revenues comprise more than two thirds of the total revenue mix. In the 2012/13 financial year, revenue from rates and services charges totalled R2.5 billion or 80.7 per cent. This increases to R2.8 billion, R3.0 billion and R3.3 billion for 2013/14, 2014/15 and 2015/16 respectively. A notable trend is the increase in the total percentage revenue generated from rates and service charges. This growth is mainly attributed to the increase in the sale of electricity which contributes to the total revenue mix, which in turn is due to the rapid increases in the Eskom tariffs for bulk purchase electricity. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

Property rates is the second largest revenue source totalling 18 per cent or R607 million. Other revenue consists of various items such as fines, licences and permits, agency services, sale of produce, training recoveries, landing fees, passenger levy etc.

Operating grants and transfers totals R 383.8 million in the 2013/14 financial year and steadily increases to R 402.1 million by 2014/15, R 423 million by 2015/2016. Capital grants and transfers amounts to R 383.2 million, R 204.3 million and R 202.4 million for the 2013/14, 2014/15 and 2015/16 financial years respectively. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:



MSUNDUZI ANNUAL BUDGET

Table 4 Transfers and Grant Receipts

KZN225 Msunduzi - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		203,378	267,375	310,326		342,704	342,704	362,139	380,211	400,117
					342,704					
Local Government Equitable Share		199,824	267,211	304,835	338,903	338,903	338,903	354,313	373,677	393,300
Finance Management		750	165	1,979	1,500	1,500	1,500	1,550	1,600	1,650
Municipal Systems Improvement		400		978	800	800	800	890	934	967
EPWP Incentive					1,501	1,501	1,501	1,874		
Electricity Demand Side Management		2,404		2,534				-	-	-
Water Services Operating Subsidy										
Other transfers/grants (insert description)								3,512	4,000	4,200
Provincial Government:		10,548	33,467	4,074	22,500	22,500	22,500	21,709	21,856	22,863
Health subsidy		9,161		-						
Provincial Government:			20,979	1,207						
Health subsidy				-						
Expanded Public Works Grant				2,868						
Operating Grant - Property Rates		1,387								
Health			12,488		2,537	2,537	2,537			
Human Settlements					9,000	9,000	9,000			
Public Works										
Arts and Culture					10,963	10,963	10,963	21,709	21,856	22,863
District Municipality:		-	-	-	-	-	-	-	-	-
(insert description)										
Other grant providers:		-	-	-	-	-	-	-	-	-
(insert description)										
Total Operating Transfers and Grants	5	213,926	300,842	314,400		365,204	365,204	383,848	402,067	422,980
					365,204					
Capital Transfers and Grants										
National Government:		125,649	73,225	138,340	208,599	160,485	160,485	383,158	204,271	202,390
Municipal Infrastructure Grant (MIG)		91,339	48,348	138,340	153,399	150,170	150,170	151,312	159,271	170,390
Public Transport and Systems		7,737	11,663		45,000	-	-	100,846	-	-
Neighbourhood Development Partnership					700	70	70		10,000	10,000
Rural Households Infrastructure					4,500	-	-			
Dept of Mineral/Electricity			3,757			5,000	5,000	8,000	5,000	10,000
Integrated National Electrification Programme					5,000	5,000	5,000	123,000	30,000	12,000
Other capital transfers/grants (insert description)		26,573	9,457			245	245			
Provincial Government:		-	11,429	11,836	21,415	56,234	56,234	-	-	-
Airport Development Project			11,429	11,836	19,315	16,760	16,760	-	-	-

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Sport and Recreation					2,100	2,100	2,100			
Corridor Development						37,289	37,289		-	-
KZNPA						85	85			
District Municipality:		-	-	-	-	-	-	-	-	-
(insert description)										
Other grant providers:		-	-	-	-	135	135	-	-	-
Carnegie						135	135			
Total Capital Transfers and Grants	5	125,649	84,654	150,176	230,014	216,854	216,854	383,158	204,271	202,390
TOTAL RECEIPTS OF TRANSFERS & GRANTS		339,575	385,496	464,576	595,218	582,058	582,058	767,006	606,338	625,370

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the City.

The percentage increase of Eskom bulk tariff is beyond the mentioned inflation target. Given that this tariff increase is determined by an external agency, the impact it has on the municipality's electricity cost is largely outside the control of the City. Discounting the impact of this price increase in lower consumer tariffs will erode the City's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the City is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the City has undertaken the tariff setting process relating to service charges as follows.

Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. The regulations prescribing the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1 came into effect on 1 July 2009, whilst the rate ratio for Public Benefit Organizations came into effect on 1 July 2010. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2013/14 financial year based on a 5.5 per cent increase from 1 July 2013 is contained below:



MSUNDUZI ANNUAL BUDGET

Table 5 Comparison of proposed rates to levied for the 2013/14 financial year

		2012/13	2013/14							
		Cents in the R	Cents in the R	% Incr						
<table><tr><td>VOTE</td><td>SUB</td><td>ITEM</td></tr><tr><td>060</td><td>448</td><td>8208</td></tr></table>					VOTE	SUB	ITEM	060	448	8208
VOTE	SUB	ITEM								
060	448	8208								
1. A GENERAL RATE, assessed in terms of the Local Government:										
Municipal Property Rates Act 6 of 2004		0.0202	0.021	5.50						
(a)	Vacant Land - no rebate granted (net)	0.0202	0.021311	5.50						
(b)	Unauthorised use plus surcharge	0.0243	0.0256365	5.50						
2. REBATES:										
Residential Property										
(a)	A rebate on the valuation of rateable property	0.0202	0.021311	5.50						
	Rate Randage – after rebate (net)	0.0202	0.021311	5.50						
Other Properties										
(b)	A rebate on the valuation of rateable property	0.0006	0.000633	5.50						
	Rate Randage – after rebate (net)	0.0196	0.020678	5.50						
Agricultural Property										
(c)	A rebate on the valuation of rateable property	0.0175	0.0184625	5.50						
	Rate Randage – after rebate (net)	0.0027	0.0028485	5.50						
Public Service Infrastructure										
(d)	A rebate on the valuation of rateable property	0.0175	0.0184625	5.50						
	Rate Randage – after rebate (net)	0.0027	0.0028485	5.50						
Rural Communal Property										
(e)	A rebate on the valuation of rateable property	0.0028	0.002954	5.50						
	Rate Randage – after rebate (net)	0.0174	0.018357	5.50						
Home Business and DSF properties										
(f)	A rebate on the valuation of rateable property	0.0061	0.0064355	5.50						
	Rate Randage – after rebate (net)	0.0141	0.0148755	5.50						
Sectional Title Garages - Separately Registered										
(g)	A rebate on the valuation of rateable property	0.0091	0.0096005	5.50						
	Rate Randage – after rebate (net)	0.0111	0.0117105	5.50						

2013/14 to 2015/16



	2012/13	2013/14	% Incr
	Cents in the R	Cents in the R	

VOTE	SUB	ITEM
060	448	8208

Mining

(h)	A rebate on the valuation of rateable property	0.0006	0.000633	5.50
	Rate Randage – after rebate (net)	0.0196	0.020678	5.50

Public Benefit Organisations

(i)	A rebate on the valuation of rateable property	0.0001		
	Statutory Rebate	0.0027		
	Additional Rebate	100%		

3. OTHER REBATES:

Impermissible and Free Value based rebates

- (j) No rates shall be levied on the market value of the first R15,000 of residential property, home business and DSF properties. A rebate of 100% will be granted on all residential property and home business property from a value of R15,001 to a value of R100,000.

Aged Persons and Disability Grantees Rebate

(k)	Aged Persons Occupier Owner Applicants:			
	Female – 60 years and over			
	Male – 63 years and over			
	Total monthly income of all occupants and owners from all sources Under age 75	R 3,000	R 3,165.00	5.50
	Age 75 and over	R 3,040	R 3,207.20	5.50
	%'tage Rebate –	R 1.00	R 1.05	5.50
	or			
	Total monthly income of all occupants and owners from all sources Under age 75	R 2,400	R 2,532	5.50
	Age 75 and over	R 2,440	R 2,574.20	5.50
	%'tage Rebate –	R 100.00	R 105.50	5.50

Child Headed Households

(l)	Maximum monthly income of all occupants and owners from all sources	R 2,400	R 2,532	5.50
	%'tage Rebate –	R 1.00	R 1.05	5.50

Listed Buildings

(m)	Rates Rebate after primary rebate on Listed Buildings	40% Max	40% Max	40% Max
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MSUNDUZI ANNUAL BUDGET

	2012/13	2013/14	
	Cents in the R	Cents in the R	% Incr

Developers Rebate

(n)	Rates Rebate on VL only subject to Council Conditions	100%
	Year 1	66%
	Year 2	33%
	Year 3	

4. GENERAL NOTE:

- (a) No rebates on Listed Buildings and Developers properties will be granted to ratepayers where any arrears is outstanding on the property for rates & services. Rebates will only be granted to aged persons and child headed households where arrangements are made for arrears and where all arrangements are being maintained.
- (b) Existing Newly Incorporated Properties have been phased in over three years and no further rebates will be granted in terms of the Municipal Property Rates Act.
- (c) No rates will be levied on property owned and occupied by the Msunduzi Municipality.

5. MISCELLANEOUS CHARGES:

	VOTE	SUB	ITEM	2012/13	2013/14	
	022	415	8436	Excl. Vat	Excl. Vat	% Incr
(a)			Revenue Clearance Certificate Application Fee	R 230	R 242.65	5.50
	VOTE	SUB	ITEM			
	022	415	8150			
(b)			Deeds Registry Search	per search	R 15	

2013/14 to 2015/16



Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Umgeni Water has increased its bulk tariffs with 8.3 per cent from 1 July 2013.

Umgeni Water has undertaken a critical assessment of its capital infrastructure requirements. The assessment indicates that Umgeni Water's current infrastructure is unlikely to sustain its long-term ability to supply water and they had no other choice but to enter capital markets to raise R1.6 billion for infrastructure upgrades, hence the significant increase in the bulk cost of water.

A tariff increase of 10 per cent for all categories from 1 July 2013 for water is proposed. This is based on input cost assumptions of 8.3 per cent increase in the cost of bulk water (Umgeni Water).



MSUNDUZI ANNUAL BUDGET

Table 6 Comparison between current water charges and increases (Domestic)

Water Tariffs

VOTE	SUB	ITEM
787	460	8595

2012/13	2013/14	
Excl. Vat	Excl. Vat	% Incr

Water Supply Tariffs

1	Scale 2 (1) – Domestic			
	Basic Charge (Except Indigent\$)	R 15.00	R 16.50	10.0%
	0kl to 6kl	R 37.40	R 41.14	10.0%
	Indigent 0kl to 7Kl	Free		
	2 (2) – Domestic			
	7kl to 30kl per kl	R 12.58	R 13.84	10.0%
	2 (3) – Domestic			
	31kl to 60kl per kl	R 18.57	R 20.42	10.0%
	2 (4) _Domestic			
	61kl and over per kl	R 21.67	R 23.84	10.0%
	2 (5) _Domestic			
	Flat rate (unmetered households)	R 60.00	R 66.00	10.0%
2	Scale 3A – Flats, Simplexes			
	Basic Charge	R 15.00	R 16.50	10.0%
	Unit	R 11.86	R 13.05	10.0%
3	Scale 3B – Flats (Non-Rateable)			
	Basic Charge	R 15.00	R 16.50	10.0%
	Unit	R 16.32	R 17.95	10.0%
4	Scale 4A (1) – Commercial			
	Basic Charge	R 25.00	R 27.50	10.0%
	0 - 30 kl per kl	R 13.46	R 14.81	10.0%
	4A (2) – Commercial			
	31kl to 60kl per kl	R 15.00	R 16.50	10.0%
	4A (3) – Commercial			
	61kl to 100kl per kl	R 17.60	R 19.36	10.0%
	4A (4) – Commercial			
	101kl and over per kl	R 13.46	R 14.81	10.0%



Water Tariffs

			2012/13	2013/14	
			Excl. Vat	Excl. Vat	% Incr
VOTE	SUB	ITEM			
787	460	8595			
5	Scale 4B – Commercial (Non-Rateable)				
	Basic Charge		R 25.00	R 27.50	10.0%
	Unit		R 16.60	R 18.26	10.0%
6	Scale 5 – Builders, Construction Sites				
	Basic Charge		R 25.00	R 27.50	10.0%
	Unit		R 16.60	R 18.26	10.0%
	Flat Rate - Unmetered Fire Mains		R 150.00	R 165.00	10.0%
7	Scale 6 – Religious Organisations				
	Basic Charge		R 25.00	R 27.50	10.0%
	Unit		R 13.17	R 14.48	10.0%
8	Scale 7 – Registered Welfare & Charitable Institutions & certain Sporting Bodies which are exempted from payment of rates. Including such organizations & institutions exempted by the City Council.				
	Basic Charge		R 25.00	R 27.50	10.0%
	Unit		R 13.17	R 14.48	10.0%
10	Scale 8 – Municipal Departments				
	Unit		R 12.57	R 13.83	10.0%

Indigent Benefit - Domestic Water supply only

Properties valued at R100,000 and below will automatically receive the first 11.2kl of water free

The applicable tariff will be billed from the 11.3kl upwards

Domestic households with a total household income within the limit set out in Rates page 3, Section 3. (j), may apply for this benefit, subject to additional qualifying criteria



MSUNDUZI ANNUAL BUDGET

I.2.2. Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 7.0 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2013.

Considering the Eskom increases, the consumer tariff had to be increased by 10 per cent to offset the additional bulk purchase cost from 1 July 2013.

Table 7 Comparison between current electricity charges and increases (Domestic)

City Electrical Engineers

2012/13 2013/14
Excl. Vat Excl. Vat % Incr

DESCRIPTION	VOTE	SUB	ITEM
Domestic – Basic Charge	704	412	8401
Domestic – Amp Charge	704	412	8154
Domestic – Energy Charge	704	412	8157

Scale A: Domestic

1 A.1 Single-Phase up to 80A –

	Basic Charge per month(except Indigent)	R 17.50	R 19.25	10.0%
	Net Ampere Charge per amp per phase p.m.	R 6.953	R 7.648	10.0%
	Energy Charge per kWh (cents)	60.005	66.005	10.0%
Indigent	Free 60KWh	Free		

DESCRIPTION	VOTE	SUB	ITEM
Domestic – Basic Charge	704	412	8401
Domestic – Amp Charge	704	412	8154
Domestic – Energy Charge	704	412	8157

2 Scale A.3 Three Phase up to 100A

	Basic Charge per month	R 29.16	R 32.07	10.0%
	Net Ampere Charge per amp per phase p.m.	R 5.348	R 5.883	10.0%
	Energy Charge per kWh (cents)	60.005	66.005	10.0%



City Electrical Engineers

2012/13	2013/14	
Excl. Vat	Excl. Vat	% Incr

DESCRIPTION	VOTE	SUB	ITEM
Small Power Users Basic Charge	704	412	8402
Small Power Users Ampere charge	704	412	8376
Small Power Users Energy Charge	704	412	8289

Scale B: Small Power users (Maximum Load 65 kVA)

3	Scale B.1 Single-Phase up to 80A			
	Basic Charge per month	R 46.66	R 51.32	10.0%
	Net Ampere Charge per amp per phase p.m.	R 15.242	R 16.767	10.0%
	Energy Charge per kWh (cents)	61.502	67.652	10.0%
4	Scale B.3 Three-Phase up to 100A			
	Basic Charge per month	R 81.65	R 89.81	10.0%
	Net Ampere Charge per amp per phase p.m.	R 12.702	R 13.973	10.0%
	Energy Charge per kWh (cents)	61.502	67.652	10.0%
	Minimum Charge per amp per phase p.m.	R 12.702	R 13.973	10.0%

DESCRIPTION	VOTE	SUB	ITEM
Large Power Users Bulk Basic	704	412	8403
Large Power Users Bulk kVa	704	412	8049
Large Power Users Bulk kWh	704	412	8052

Scale C: Large Power users (Load greater than 65 kVA)

5	Scale C.1 Supply taken at 400V			
	Basic Charge per month	R 349.92	R 384.91	10.0%
	Demand charge per kVA per month	R 138.479	R 152.327	10.0%
	Energy charge per kWh (cents)	59.324	65.256	10.0%

* The minimum charge per month payable by the consumer under Scale C shall be an amount calculated as aforesaid on the basis of 70% of the highest maximum demand in kVA notified to the City Electrical Engineer by the consumer or 70% of the previous twelve months highest maximum in kVA, whichever is the higher.



MSUNDUZI ANNUAL BUDGET

City Electrical Engineers

2012/13	2013/14	
Excl. Vat	Excl. Vat	% Incr

VOTE	SUB	ITEM
704	412	8289

Scale D.1: Block Tariff

This scale may be applied to any consumer at his election as an alternative to any other scale.

6	Energy Charge per kWh	R 2.842	R 3.126	10.0%
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* The minimum monthly charge payable by the consumer under this scale shall be an amount calculated as aforesaid based on 50% of the highest monthly meter reading in the last twelve months.

VOTE	SUB	ITEM
704	412	8409

Indigent Benefit - Domestic supply only

Properties valued at R100,000 and below with a 20amp circuit breaker will automatically receive the first 50kWh of electricity free

Domestic households with a total household income within the limit set out in Rates page 3, Section 3. (j), may apply for this benefit, subject to additional qualifying criteria

7	Energy Charge only (cents)	82.192	90.411	10.0%
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Scale S: Prepayment Meter Tariff

8	Energy Charge only (cents)	101.342	111.477	10.0%
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DESCRIPTION	VOTE	SUB	ITEM
Time of Use: Basic	704	412	8404
Time of Use: Demand kVa	704	412	8405
Time of Use: Access kVa	704	412	8406
Time of Use: kWh	704	412	8407



City Electrical Engineers

2012/13 Excl. Vat	2013/14 Excl. Vat	% Incr
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Scale T: Time Of Use Tariff

9 Scale T.1 Supply taken at 6.6 or 11 kV

Basic Charge per month	R 1,749.60	R 1,924.56	10.0%
Demand charge per kVA per month	R 64.716	R 71.188	10.0%
Access charge per kVA per month.	R 21.158	R 23.274	10.0%
Based on highest of notified or previous 12 months highest demand.			

Energy charge c/kWh (Periods as per Eskom Megaflex)

High Demand: (June, July, August)

Peak	225.478	248.026	10.0%
Standard	73.744	81.118	10.0%
Off Peak	48.946	53.841	10.0%

Low Demand: (Other Months)

Peak	77.708	85.479	10.0%
Standard	55.520	61.072	10.0%
Off Peak	44.983	49.481	10.0%

Reactive energy charge.

A charge for all reactive energy which exceed 30% of the real energy

(kWh) per half hour period in the peak and standard periods only (c/kvarh)	5.642	6.206	10.0%
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MSUNDUZI ANNUAL BUDGET

Time periods

Day	Peak	Standard	Off-Peak
Weekday			00:00-06:00
		06:00-07:00	
	07:00-10:00	10:00-18:00	
	18:00-20:00	20:00-22:00	22:00-24:00
			00:00-07:00
		07:00-12:00	12:00-18:00
		18:00-20:00	20:00-24:00
			00:00-24:00

The table below indicates the treatment of public holidays for the Time of Use tariff

9 August 2012	National Women's Day	Friday	Saturday
24 September 2012	Heritage Day	Tuesday	Saturday
16 December 2012	Day of Reconciliation	Monday	Saturday
25 December 2012	Christmas Day	Wednesday	Sunday
26 December 2012	Day of Goodwill	Thursday	Sunday
1 January 2013	New Years Day	Wednesday	Saturday
21 March 2013	Human Rights Day	Friday	Sunday
18 April 2013	Good Friday	Friday	Sunday
21 April 2013	Easter Monday	Monday	Sunday
27 April 2013	Freedom Day	Sunday	Saturday
28 April 2013	Public Holiday	Monday	Saturday
1 May 2013	Workers Day	Thursday	Saturday
16 June 2013	Youth Day	Monday	Saturday

City Electrical Engineers

2012/13	2013/14	
Excl. Vat	Excl. Vat	% Incr

VOTE	SUB	ITEM
703	463	8382

CHARGES FOR PUBLIC LIGHTING SERVICES TO NON-MUNICIPAL CUSTOMERS CHARGES FOR PUBLIC LIGHTING SERVICES TO MUNICIPAL APPLICATIONS

L1	Lights: Whole Night (incl Maintenance)			
	Fixed-R /light/month	R 25.89	R 28.48	10.0%
	Energy charge per 100 Watt per month if not measured	R 19.331	R 21.265	10.0%
	Energy charge if measured (cents) per kWh	52.920	58.212	10.0%

2013/14 to 2015/16



City Electrical Engineers

2012/13	2013/14	
Excl. Vat	Excl. Vat	% Incr

VOTE	SUB	ITEM
703	463	8382

L2	Lights: 24 hour (incl Maintenance)			
	Fixed-R /light/month	R 25.89	R 28.48	10.0%
	Energy charge per 100 Watt per month if not measured	R 69.515	R 76.467	10.0%
	Energy charge if measured (cents) per kWh	57.211	62.932	10.0%
L3	Lights: Whole Night High Mast (incl. Maintenance)			
	Fixed-R /light/month	R 517.81	R 569.60	10.0%
	Energy charge per 100 Watt per month if not measured	R 56.747	R 62.422	10.0%
	Energy charge if measured (cents) per kWh	52.920	58.212	10.0%
L4	Lights: 24 Hrs Traffic (Excl. Maintenance)			
	Maintenance charged at actual cost	Actual Cost	Actual Cost	
	Energy charge per 100 Watt per month if not measured	R 69.515	R 76.467	10.0%
	Energy charge if measured (cents) per kWh	57.211	62.932	10.0%



MSUNDUZI ANNUAL BUDGET

City Electrical Engineers

2012/13 Excl. Vat	2013/14 Excl. Vat	% Incr
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VOTE	SUB	ITEM
713	873	1000

New Connection

1 Bylaw 27(12)(a)

(a) Normal domestic business premises:

(single phase service connection with a maximum capacity of 80A with a credit meter):

R 2,859	R 3,016.16	5.5%
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Plus the cost of labour and material

(single phase service connection with a maximum capacity of 80A with a prepayment meter):

R 3,501	R 3,693.37	5.5%
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Plus the cost of labour and material

Plus the cost of providing and laying or mounting the underground cable or overhead wiring, as the case may be, within the consumer's property boundary

Plus the cost of providing and laying or mounting the underground cable or overhead wiring, as the case may be, within the consumer's property boundary

(b) Surcharge raised for the reinstatement of single phase domestic services that have been removed for tampering (including illegal reconnection of disconnected service):

First offence	R 11,664	R4,000
Second offence	R 17,496	R5,500
Third or subsequent offence	R 29,160	R7,000

(c) Surcharge raised for the reinstatement of single phase domestic services that have been removed for tampering (including illegal reconnection of disconnected service):

First offence	R 291,600	R20,000
Second offence	R 349,920	R35,000
Third or subsequent offence	R 583,200	R50,000

(d) Tampering with Electricity Meters or Metering Installations: Domestic & Business

Disconnection Fee	R 675	R712	5.50
Back dated consumption (calculated based on estimated tampering period)			



City Electrical Engineers

2012/13 Excl. Vat	2013/14 Excl. Vat	% Incr
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NOTE:

Sale of Property Transactions: The responsibility rests with both transacting parties to ensure that the Electrical Compliance Certificate is obtained in respect of an existing service supply.

VOTE	SUB	ITEM
713	873	1000

(e) Additional Charges: Illegal Connection and Reconnection

(i)	Copper Theft			
	Theft of Material	Immediate Arrest	Immediate Arrest	
	Buying of stolen material	Immediate Arrest	Immediate Arrest	
(ii)	Illegal service connection - Connector	Immediate Arrest	Immediate Arrest	
(iii)	Interference with other consumer's equipment	R 1,080	R 1,139.40	5.5%
(iv)	Failure to comply with any issued notice	R 216	R 227.88	5.5%
(v)	Improper use of Electricity	R 540	R 569.70	5.5%
(vi)	Property access to inspect equipment is denied	R 324	R 341.81	5.5%
(vii)	Refusing to provide information	R 216	R 227.88	5.5%
(viii)	Rendering false information	R 216	R 227.88	5.5%
(ix)	Refusal of admittance	R 216	R 227.88	5.5%
(x)	Restricted access to meter room	R 216	R 227.88	5.5%
(xi)	Resale of electricity without a license or approval	R 216	R 227.88	5.5%
(xii)	Selling or supplying electricity without authority	R 540	R 569.70	5.5%
(xiii)	Standby Equipment connected to network without authority	R 540	R 569.70	5.5%
(f)	Tampering with installed anti-tampering seals	R 2,160	R 2,278.80	5.5%
(g)	Use of Electricity supply without a signed consumer agreement with the Municipality	R 540	R 569.70	5.5%
(h)	Unkept substation equipment accommodation room	R 540	R 569.70	5.5%
(i)	Unkept meter rooms	R 540	R 569.70	5.5%
(j)	Unlocked meter rooms	R 540	R 569.70	5.5%



MSUNDUZI ANNUAL BUDGET

City Electrical Engineers

2012/13 Excl. Vat	2013/14 Excl. Vat	% Incr
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VOTE	SUB	ITEM
704	415	8506

1	Fee for attendance at or disconnection of consumer's Installation per meter:			
(a)	where due to non-payment of charges or fees or due to failure to make any required deposit or furnish any required security by the consumer in terms of the bylaws or to the breach by the consumer of any of the bylaws or any condition of his agreement			
	business	R 675	R 712.49	5.5%
	domestic	R 300	R 316.50	5.5%
	Note: This charge is also applicable to water disconnections/restrictions ifo 1(a)			
(b)	on the consumer's request for a temporary disconnection (11kV supply)	R 898	R 947.82	5.5%
(c)	on the consumer's request for a temporary disconnection (low voltage supply)	R 558	R 588.52	5.5%
(d)	where a consumer's supply is disconnected at the supply mains	R 1,091	R 1,151.12	5.5%
2	Fee for attendance in connection with a failure of supply	R 139	R 147.12	5.5%
3	Fee for testing			
(a)	fee for testing and inspection of an installation (other than bona fide shock or fault of a serious nature)			
(i)	Single dwelling unit			
	First visit inspection	R 671	R 707.53	5.5%
	Subsequent visits/inspections	R 334	R 352.63	5.5%
(ii)	Any other installation	Actual Cost	Actual Cost	
(b)	fee for inspection of meter box upon certification by electrical contractor that a meter box is ready for inspection			
(i)	First inspection	No Charge	No Charge	
(ii)	Any subsequent inspection	R 236	R 248.93	5.5%



City Electrical Engineers

	2012/13 Excl. Vat	2013/14 Excl. Vat	% Incr
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VOTE	SUB	ITEM
704	415	8506

4	Fee for testing accuracy of meter			
(a)	Single-phase	R 410	R 432.87	5.5%
(b)	Three-phase	R 611	R 644.77	5.5%
(c)	Maximum demand	Actual Cost	Actual Cost	
5	Fee for testing accuracy of tariff mcb			
(a)	Single-phase service	R 361	R 380.82	5.5%
(b)	Three-phase service	R 513	R 540.93	5.5%

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the City. The upgrading of the City's electricity network has therefore become a strategic priority, especially the substations and transmission lines.

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. As part of the 2013/14 medium-term capital programme, funding has been allocated to electricity infrastructure but these funding levels will require further investigation as part of the next budget cycle in an attempt to source more funding to ensure this risk is mitigated.



A tariff increase of 5.5 per cent for sanitation from 1 July 2013 is proposed.

Table 8 Comparison between current sanitation charges and increases

2012/13	2013/14	
Excl. Vat	Excl. Vat	% Incr

Based on the relevant Water Scale
Sewerage Tariffs

1	Scale 2 – Domestic/House	R 109.13	R 115.14	5.5%
2	Home Business	R 123.05	R 129.82	5.5%
3	Scale 3A – Flats/Simplexes per kl	R 5.79	R 6.11	5.5%
4	Scale 4A – Business/Commercial per kl			
	0 - 400	R 5.92	R 6.24	5.5%
	401 - 1000	R 5.52	R 5.83	5.5%
	Greater than 1000	R 4.56	R 4.82	5.5%
	Subject to a maximum of	R 23,809.98	R 25,119.53	5.5%
5	Vacant Land	R 109.13	R 115.14	5.5%
6	Scale 6 – Worship Places	R 208.20	R 219.66	5.5%
7	Scale 8M – Municipal Departments per kl	R 5.92	R 6.24	5.5%
8	Indigent Tariff	R 54.57	R 57.57	5.5%

2013/14 to 2015/16



Sewerage Tariffs

VOTE	SUB	ITEM
202	469	8346

2012/13	2013/14	
Excl. Vat	Excl. Vat	% Incr

- 9 Scale 3c, 4c, 7c – Registered Welfare & Charitable Institutions & certain Sporting Bodies which are exempted from payment of rates. Including such organizations & institutions exempted by the City Council.
per kl

R 5.92	R 6.24	5.5%
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Note: Home Business

Refers to a property previously rated as residential where an owner or lessee runs a small business from the premises and which is still primarily used as a place of residence by that owner or lessee and where special consent has been obtained in terms of the Town Planning scheme to run this business on the premises.



MSUNDUZI ANNUAL BUDGET

I.3.5 Refuse

A tariff increase of 5.5 per cent for refuse from 1 July 2013 is proposed. .

Refuse Removal Tariffs

VOTE	SUB	ITEM
182	469	8439

2012/13	2013/14	
Excl. Vat	Excl. Vat	% Incr

Standard charges for Domestic and Commercial Refuse Removal
Based on relevant Electricity Scale

Refuse Removal Tariffs

1	Domestic			
	Single phase up to 80A	R 70.58	R 74.47	5.5%
	Three phase up to 100A	R 70.58	R 74.47	5.5%
	Prepayment Meter	R 70.58	R 74.46	5.5%
2	Home Business			
	Single phase up to 80A	R 107.00	R 112.89	5.5%
	Three phase up to 100A	R 107.00	R 112.89	5.5%
	Prepayment Meter	R 107.00	R 112.89	5.5%
3	Small Power Users - Business/Commercial			
	Single phase up to 80A	R 202.22	R 213.34	5.5%
	Three phase up to 100A	R 202.22	R 213.34	5.5%
4	Large Power Users – Business/Commercial			
	Supply taken at 400V	R 202.22	R 213.34	5.5%
	Supply taken at 6.6 or 11kV	R 202.22	R 213.34	5.5%
5	Flats/Simplexes	R 59.81	R 63.10	5.5%
6	Indigent Tariff	R 35.29	R 37.23	5.5%

2013/14 to 2015/16



Refuse Removal Tariffs

VOTE	SUB	ITEM
182	469	8439

2012/13	2013/14	
Excl. Vat	Excl. Vat	% Incr

- 7 Central Business District
Main cbd bordered by East(Massukwane), Winston/Victoria, Bulwer, Boschoff, Alan Paton, Prince Alfred, Railway, Pine. Greytown Rd form East To Trichy, Balhambra Way from Greytown Road to Newholme Way, Khan Road from Greytown Road to Deccan Road, Mysore Road from Greytown Road to Bangalore Road, Alan Paton up till King Edward Ave.

R 268.92 R 283.71 5.5%

Note: Home Business

Refers to a property previously rated as residential where an owner or lessee runs a small business from the premises and which is still primarily used as a place of residence by that owner or lessee and where special consent has been obtained in terms of the Town Planning scheme to run this business on the premises.



MSUNDUZI ANNUAL BUDGET

Refuse Removal Tariffs

2012/13 2013/14
Excl. Vat Excl. Vat % Incr

VOTE	SUB	ITEM
182	469	8439

1 Standard charges for Domestic and Commercial Refuse Removal.

Fees payable for the additional removal and clearance of refuse by arrangement from premises other than those applicable in item 1.

2. (a) Removal of additional domestic refuse: **Excluding Central Business District**

Normal days per collection –

(i)	3 x 85l bins or part thereof	R 22	R 23.24	5.5%
(ii)	240l wheeled bin or part thereof	R 22	R 23.24	5.5%

(b) Other than normal removal days, per collection –

(i)	3 x 85l bins or part thereof	R 135	R 142.87	5.5%
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(c)	Where Council refuse containers are used on high density residential developments (simplexes, duplexes, cluster homes etc). The charge for a 1,75m ³ container for approx. 10 units, one clearance per week, subject to agreement with the Waste Management Division.	R 221	R 233.55	5.5%
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3. (a) Removal of additional domestic refuse: **Central Business District**

Normal days per collection –

(i)	3 x 85l bins or part thereof	R 22	R 23.69	5.5%
(ii)	240l wheeled bin or part thereof	R 22	R 23.69	5.5%

(b) Other than normal removal days, per collection –

(i)	3 x 85l bins or part thereof	R 138	R 145.53	5.5%
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(c)	Where Council refuse containers are used on high density residential developments (simplexes, duplexes, cluster homes etc). The charge for a 1,75m ³ container for approx. 10 units, one clearance per week, subject to agreement with the Waste Management Division.	R 225	R 237.88	5.5%
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4. (a) Removal of trade refuse (Industrial/Commercial):

Normal days, per collection –

(i)	3 x 85l bins or part thereof	R 58	R 61.71	5.5%
(ii)	210l drum or part thereof	R 58	R 61.71	5.5%
(iii)	240l bin or part thereof	R 58	R 61.71	5.5%
(iv)	Removal of additional refuse as per 3(a)(i)-(iii)	R 58	R 61.71	5.5%



Refuse Removal Tariffs

2012/13	2013/14	
Excl. Vat	Excl. Vat	% Incr

VOTE	SUB	ITEM
182	469	8439

(b) Other than normal removal days, per collection –

(i)	3 x 85l bins or part thereof	R 130	R 136.64	5.5%
(ii)	210l drum or part thereof	R 130	R 136.64	5.5%
(iii)	240l bin or part thereof	R 130	R 136.64	5.5%

VOTE	SUB	ITEM
183	469	8046

5 Removal of industrial refuse (Industrial/Commercial):

(a)	(i)	per load or part thereof loaded by the Executive Manager (maximum 15 m ³) removed as a once off clearance.	R 2,224	R 2,346.39	5.5%
	(ii)	bulk refuse containers (15 m ³) hire thereof, including a once off clearance.	R 1,674	R 1,766.28	5.5%
	(iii)	bulk refuse containers (maximum 15 m ³) hire thereof, including one clearance per week.	R 1,621	R 1,710.34	5.5%
	(iv)	second clearance	R 1,122	R 1,184.02	5.5%
	(v)	each additional clearance	R 1,007	R 1,062.72	5.5%

VOTE	SUB	ITEM
182	469	8439

(b) small mobile refuse containers (approx. 0,24m³) available in Otto Bin serviced areas only:

(i)	hire thereof, including one clearance per week.	R 62	R 65.93	5.5%
(ii)	second clearance	R 47	R 49.44	5.5%
(iii)	each additional clearance	R 43	R 45.22	5.5%

(c) small mobile refuse containers (approx. 1 m³) available in Otto Bin services areas only:

(i)	hire thereof, including one clearance per week.	R 248	R 262.14	5.5%
(ii)	second clearance	R 183	R 193.40	5.5%
(iii)	each additional clearance	R 160	R 168.99	5.5%

(d) small mobile refuse containers (approx. 2 m³):

(i)	hire thereof as a once off clearance	R 404	R 426.24	5.5%
(ii)	hire per week, including one clearance	R 367	R 387.47	5.5%
(iii)	second clearance	R 191	R 201.15	5.5%
(iv)	each additional clearance	R 167	R 176.24	5.5%



MSUNDUZI ANNUAL BUDGET

Refuse Removal Tariffs

2012/13 2013/14
Excl. Vat Excl. Vat % Incr

VOTE	SUB	ITEM
182	469	8439

(e)	7 m ³ refuse skips available in south-west area only:			
(i)	hire thereof, including one clearance per week.	R 811	R 855.96	5.5%
(ii)	second clearance	R 568	R 599.69	5.5%
(iii)	each additional clearance	R 484	R 510.49	5.5%
6	The tariff for the removal of refuse from properties owned by the State & Municipal Departments:			
	240l			
(i)	hire thereof, including one clearance per week.	R 62	R 65.93	5.5%
(ii)	second clearance	R 47	R 49.44	5.5%
(iii)	each additional clearance	R 43	R 45.30	5.5%
	1 100l			
(i)	hire thereof, including one clearance per week.	R 238	R 250.76	5.5%
(ii)	second clearance	R 175	R 184.90	5.5%
(iii)	each additional clearance	R 149	R 157.19	5.5%
	1,75m ³			
(i)	hire thereof, including once off clearance	R 387	R 407.77	5.5%
(ii)	hire per week, including one clearance per week	R 351	R 370.64	5.5%
(iii)	second clearance	R 182	R 192.41	5.5%
(iv)	each additional clearance	R 160	R 168.65	5.5%
	7m ³			
(i)	hire thereof, including one clearance per week	R 776	R 818.66	5.5%
(ii)	Second clearance	R 549	R 578.89	5.5%
(iii)	Each additional clearance	R 463	R 488.38	5.5%

VOTE	SUB	ITEM
183	469	8046

	15m ³			
(i)	per load or part thereof loaded by the Executive Manager. Removed as a once off clearance	R 2,224	R 2,346.39	5.5%
(ii)	hire thereof, including a once off clearance	R 1,674	R 1,766.28	5.5%
(iii)	hire thereof, including once clearance per week	R 1,621	R 1,710.34	5.5%
(iv)	second clearance	R 1,137	R 1,199.94	5.5%
(v)	each additional clearance	R 1,007	R 1,062.64	5.5%



Refuse Removal Tariffs

2012/13 2013/14
Excl. Vat Excl. Vat % Incr

VOTE	SUB	ITEM
183	469	8046

20m³

(i)	per load or part thereof loaded by the Executive Manager. Removed as a once off clearance	R 2,965	R 3,128.35	5.5%
(ii)	hire thereof, including a once off clearance	R 2,232	R 2,354.82	5.5%
(iii)	hire thereof, including once clearance per week	R 2,162	R 2,280.64	5.5%
(iv)	second clearance	R 1,516	R 1,599.88	5.5%
(v)	each additional clearance	R 1,343	R 1,416.78	5.5%

25m³

(i)	per load or part thereof loaded by the Executive Manager. Removed as a once off clearance	R 3,707	R 3,910.53	5.5%
(ii)	hire thereof, including a once off clearance	R 2,790	R 2,943.69	5.5%
(iii)	hire thereof, including once clearance per week	R 2,702	R 2,850.62	5.5%
(iv)	second clearance	R 1,895	R 1,999.70	5.5%
(v)	each additional clearance	R 1,679	R 1,771.14	5.5%

DESCRIPTION	VOTE	SUB	ITEM
Domestic – Outside Refuse Removal Area	182	469	8439
Commercial – Outside Refuse Removal Area	183	469	8046

- 7 Removal and clearances from properties outside the refuse removal area: Applicable Tariff plus 20%

Services provided by the Executive Manager

- 8 Dead animals (per carcass) during working hours –

(a)	(i)	dog or cat	R 381	R 402.32	5.5%
	(ii)	sheep, goat, calf or pig	R 572	R 603.48	5.5%
	(iii)	ox, cow, bull, horse, mule or donkey	R 1,233	R 1,300.84	5.5%
(b)	outside working hours –				
	(i)	dog or cat	R 426	R 449.26	5.5%
	(ii)	sheep, goat, calf or pig	R 1,080	R 1,139.91	5.5%
	(iii)	ox, cow, bull, horse, mule or donkey	R 2,161	R 2,279.83	5.5%



MSUNDUZI ANNUAL BUDGET

Refuse Removal Tariffs

2012/13 2013/14
Excl. Vat Excl. Vat % Incr

DESCRIPTION	VOTE	SUB	ITEM
Domestic – Outside Refuse Removal Area	182	469	8439
Commercial – Outside Refuse Removal Area	183	469	8046

The fees specified in this item shall be payable upon demand or otherwise may be arranged with the Council.

9 Euthanased animals (per carcass):

(a) Removal of dog and cat carcasses from the premises owned or occupied by registered veterinary practitioners –

- (i) during normal working hours
- (ii) after normal working hours

R 127	R 134.11	5.5%
R 458	R 482.79	5.5%

(b) removal of carcasses other than dogs and cats shall be charged at the fees prescribed in items 4 and 5 as the case may be.



I.4. Operating Expenditure Framework

The City's expenditure framework for the 2013/14 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- **Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.**

The following table is a high level summary of the 2013/14 budget and MTREF (classified per main type of operating expenditure):

Table 9 Summary of operating expenditure by standard classification item

KZN225 Msunduzi - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)												
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure By Type												
Employee related costs		2	626,885	634,106	666,198	713,415	731,928	731,928	731,928	779,721	819,440	861,792
Remuneration of councillors			19,386	18,418	31,427	34,000	34,001	34,000	34,000	36,419	38,422	40,535
Debt impairment		3	250,540	96,000	58,210	250,342	250,342	250,342	250,342	137,510	130,634	124,103
Depreciation & asset impairment		2	124,044	253,485	273,650	158,000	158,000	158,000	158,000	222,212	256,533	282,183
Finance charges			75,273	71,568	72,134	77,500	70,831	70,831	70,831	64,600	59,255	54,480
Bulk purchases		2	804,979	994,366	1,217,335	1,382,923	1,406,504	1,406,504	1,406,504	1,493,890	1,650,634	1,770,060
Other materials		8	-	-	-	14,154	19,046	19,046	19,046	23,861	25,220	25,658
Contracted services			-	-	67,803	56,948	65,754	65,754	65,754	57,176	59,886	61,919
Transfers and grants			4,342	3,967	4,144	4,500	4,500	4,500	4,500	5,027	5,274	5,563
Other expenditure		4, 5	903,640	735,314	702,148	290,862	388,332	388,334	388,334	404,483	435,248	537,811
Loss on disposal of PPE			(2,199)	(37)	-	-	-	-	-	-	-	-
Total Expenditure			2,806,890	2,807,186	3,093,048	2,982,646	3,129,239	3,129,239	3,129,240	3,224,899	3,480,545	3,764,103



MSUNDUZI ANNUAL BUDGET

The budgeted allocation for employee related costs for the 2013/14 financial year totals R780 million excluding councillors allowance, which equals 24.2 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 7 per cent for the 2013/14 financial year. An annual increase of 6.5 and 6.5 per cent has been included in the two outer years of the MTREF respectively. Included in this amount is a provision of R 41 million for posts that became vacant during the 2012/13 financial year due to retirement, death etc. The provision is calculated on the bottom notch of the salary scale.

The cost associated with the remuneration of Councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). A 7.0 per cent increase has been factored in Councillors remuneration.

The provision for debt impairment was determined based on the assumption that the annual collection rate will increase to 85 per cent. For the 2013/14 financial year this amount equates to R138 million and for the two outer years it decreases because of the new strategies that will be put in place to increase the debt collection levels. The Auditor General's tool was used to calculate the debt impairment. While this expenditure is considered to be a non-cash flow item, it informs the total cost associated with the rendering the services.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 222.2 million for the 2013/14 financial and equates to 6.9 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 2.0 per cent (R65 million) of total operating expenditure

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Umgeni Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Contracted services had been identified as a cost saving area for the City. As part of the compilation of the 2013/14 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2013/14 financial year, this group of expenditure totals R57.2 million.

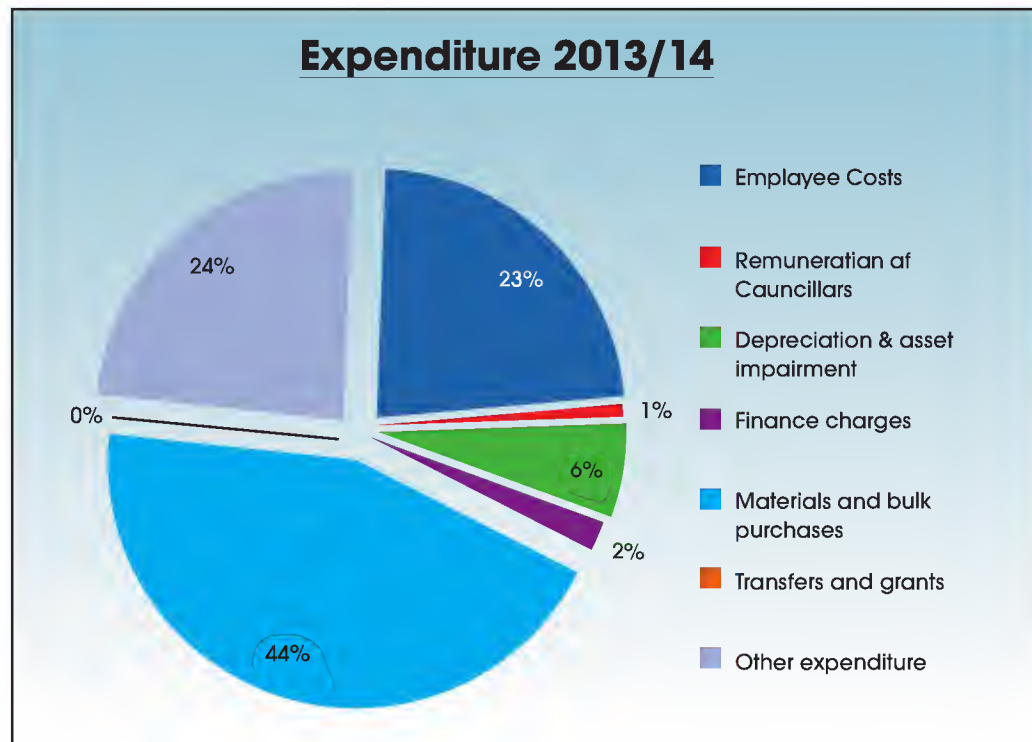
Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

2013/14 to 2015/16



Figure 1 Main operational expenditure categories for the 2013/14 financial year

The following table gives a breakdown of the main expenditure categories for the 2013/14 financial year.



I.4.1. Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the City's current infrastructure, the 2013/14 budget and MTRF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the City. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Stores and materials, distribution plant hire votes will be moved from general expenses item to the repairs and maintenance votes because it is forms part of this category. Included under general expenses votes for these items in the 2013/14 budget amounts to R43.8 million. Provision of R95 million has been made for repairs and maintenance plus the R 43.8 million from the transfer of general expenses.

Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by funding:

Table 10 2013/14 Medium-term capital budget per funding

KZN225 Msunduzi - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	420,030	448,257	505,310	576,402	576,402	576,402	576,402	607,308	664,116	701,442
Property rates - penalties & collection charges		20,285	26,358	31,244	33,812	47,501	47,501	47,501	37,363	38,857	40,800
Service charges - electricity revenue	2	816,173	1,011,459	1,212,660	1,416,917	1,417,115	1,417,115	1,417,115	1,558,827	1,714,709	1,886,180
Service charges - water revenue	2	213,633	270,107	288,345	317,354	339,545	339,545	339,545	378,445	398,902	420,454
Service charges - sanitation revenue	2	76,207	102,592	107,507	114,000	125,263	125,263	125,263	132,153	139,281	146,795
Service charges - refuse revenue	2	53,287	65,559	70,091	78,752	73,547	73,547	73,547	77,592	81,841	86,311
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		15,571	17,313	17,944	19,534	23,949	23,949	23,948	20,255	22,889	25,787
Interest earned - external investments		6,757	13,752	25,907	12,100	18,356	18,356	18,357	27,029	27,454	28,519
Interest earned - outstanding debtors		21,161	38,044	65,794	-	1,152	1,152	1,152	1,255	1,292	1,318
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		7,084	5,354	3,813	3,475	3,566	3,566	3,566	3,634	3,830	4,037
Licences and permits		72	89	78	74	44	44	44	48	50	53
Agency services		1,435	577	374	382	533	533	533	586	592	603
Transfers recognised - operational		355,033	385,630	500,669	365,204	422,369	422,369	422,369	383,848	402,067	422,980
Other revenue	2	568,910	516,909	503,043	49,785	88,689	88,689	88,689	48,011	49,222	48,825
Gains on disposal of PPE									15,131		



2013/14 to 2015/16



KZN225 Msunduzi - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Total Revenue (excluding capital transfers and contributions)		2,575,640	2,902,000	3,332,779	2,987,790	3,138,032	3,138,032	3,138,031	3,291,485	3,545,102	3,814,104
Expenditure By Type											
Employee related costs	2	626,885	634,106	666,198	713,415	731,928	731,928	731,928	779,721	819,440	861,792
Remuneration of councillors		19,386	18,418	31,427	34,000	34,001	34,000	34,000	36,419	38,422	40,535
Debt impairment	3	250,540	96,000	58,210	250,342	250,342	250,342	250,342	137,510	130,634	124,103
Depreciation & asset impairment	2	124,044	253,485	273,650	158,000	158,000	158,000	158,000	222,212	256,533	282,183
Finance charges		75,273	71,568	72,134	77,500	70,831	70,831	70,831	64,600	59,255	54,480
Bulk purchases	2	804,979	994,366	1,217,335	1,382,923	1,406,504	1,406,504	1,406,504	1,493,890	1,650,634	1,770,060
Other materials	8	-	-	-	14,154	19,046	19,046	19,046	23,861	25,220	25,658
Contracted services		-	-	67,803	56,948	65,754	65,754	65,754	57,176	59,886	61,919
Transfers and grants		4,342	3,967	4,144	4,500	4,500	4,500	4,500	5,027	5,274	5,563
Other expenditure	4, 5	903,640	735,314	702,148	290,862	388,332	388,334	388,334	404,483	435,248	537,811
Loss on disposal of PPE		(2,199)	(37)	-	-	-	-	-	-	-	-
Total Expenditure		2,806,890	2,807,186	3,093,048	2,982,646	3,129,239	3,129,239	3,129,240	3,224,899	3,480,545	3,764,103
Surplus/(Deficit)		(231,250)	94,814	239,731	5,144	8,793	8,792	8,792	66,586	64,557	50,001
Transfers recognised - capital		78,407	84,654	148,674	230,014	216,719	216,719	216,719	383,158	204,271	202,390
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391
Taxation											
Surplus/(Deficit) after taxation		(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391

Total capital expenditure for 2013/14 financial year amounts to R 443.2 million and is made up of R 383.2 million granting funding projects and R 60 million internal funded projects.

Annual Budget Tables

The following pages present the nine of the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2013/14 budget and MTRF as approved by the Council. Each table is accompanied by explanatory notes on the facing page.

Table 11 MBRR Table A1 - Budget Summary

KZN225 Msunduzi - Table A1 Consolidated Budget Summary										
Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial Performance										
Property rates	440,315	474,615	536,555	610,214	623,903	623,903	623,903	644,671	702,973	742,242
Service charges	1,159,301	1,449,717	1,678,603	1,927,023	1,955,471	1,955,471	1,955,471	2,147,016	2,334,733	2,539,739
Investment revenue	6,757	13,752	25,907	12,100	18,356	18,356	18,357	27,029	27,454	28,519
Transfers recognised - operational	355,033	385,630	500,669	365,204	422,369	422,369	422,369	383,848	402,067	422,980
Other own revenue	614,234	578,286	591,046	73,250	117,934	117,934	117,933	88,920	77,876	80,623
Total Revenue (excluding capital transfers and contributions)	2,575,640	2,902,000	3,332,779	2,987,790	3,138,032	3,138,032	3,138,031	3,291,485	3,545,102	3,814,104
Employee costs	626,885	634,106	666,198	713,415	731,928	731,928	731,928	779,721	819,440	861,792
Remuneration of councillors	19,386	18,418	31,427	34,000	34,001	34,000	34,000	36,419	38,422	40,535
Depreciation & asset impairment	124,044	253,485	273,650	158,000	158,000	158,000	158,000	222,212	256,533	282,183
Finance charges	75,273	71,568	72,134	77,500	70,831	70,831	70,831	64,600	59,255	54,480
Materials and bulk purchases	804,979	994,366	1,217,335	1,397,078	1,425,550	1,425,550	1,425,550	1,517,751	1,675,853	1,795,718
Transfers and grants	4,342	3,967	4,144	4,500	4,500	4,500	4,500	5,027	5,274	5,563
Other expenditure	1,151,981	831,277	828,161	598,153	704,429	704,431	704,431	599,168	625,768	723,833
Total Expenditure	2,806,890	2,807,186	3,093,048	2,982,646	3,129,239	3,129,239	3,129,240	3,224,899	3,480,545	3,764,103
Surplus/(Deficit)	(231,250)	94,814	239,731	5,144	8,793	8,792	8,792	66,586	64,557	50,001
Transfers recognised - capital	78,407	84,654	148,674	230,014	216,719	216,719	216,719	383,158	204,271	202,390
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391
Capital expenditure & funds sources										
Capital expenditure	176,033	111,149	223,563	230,014	309,756	309,756	309,756	443,158	264,271	252,390
Transfers recognised - capital	78,407	84,654	148,674	230,014	216,719	216,719	216,719	383,158	204,271	202,390
Public contributions & donations	-	-	-	-	135	135	135	-	-	-
Borrowing	97,626	26,495	-	-	47,075	47,075	47,075	-	-	-
Internally generated funds	-	-	74,889	-	45,827	45,827	45,827	60,000	60,000	50,000
Total sources of capital funds	176,033	111,149	223,563	230,014	309,756	309,756	309,756	443,159	264,271	252,390

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2013/14 to 2015/16



KZN225 Msunduzi - Table A1 Consolidated Budget Summary											
Description		2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial position											
Total current assets	448,454	719,535	1,193,710		1,416,365	1,552,712	1,552,712	1,552,712	1,403,494	1,679,462	2,608,937
Total non current assets	6,766,541	6,816,930	6,754,296		7,129,993	7,129,994	7,129,994	7,129,994	6,923,709	6,896,753	7,083,277
Total current liabilities	573,844	600,934	718,931		377,021	377,021	377,021	377,021	730,078	422,230	455,604
Total non current liabilities	724,850	750,943	886,232		649,894	649,894	649,894	649,894	573,000	503,000	430,000
Community wealth/Equity	5,916,302	6,184,589	6,342,843		7,519,443	7,655,791	7,655,791	7,655,791	7,762,276	7,650,985	8,806,610
Cash flows											
Net cash from (used) operating	38,087	480,683	436,331		243,413	413,676	413,676	413,676	395,062	283,570	141,211
Net cash from (used) investing	(29,847)	(302,834)	(210,387)		(229,484)	(263,929)	(263,399)	(263,399)	(285,819)	(194,686)	(193,010)
Net cash from (used) financing	139,592	(22,046)	63,596		(19,743)	(19,743)	(19,743)	(19,743)	(41,453)	40,645	233,145
Cash/cash equivalents at the year end	260,699	416,502	706,042		700,228	830,232	830,762	830,762	898,552	1,028,081	1,209,427
Cash backing/surplus reconciliation											
Cash and investments available	256,713	576,231	583,678		573,374	709,722	709,722	709,722	603,763	633,347	1,656,546
Application of cash and investments	966,114	924,159	574,809		149,341	(655,171)	(7,861)	(655,172)	557,087	(175,531)	(117,807)
Balance - surplus (shortfall)	(709,402)	(347,927)	8,869		424,033	1,364,892	717,583	1,364,893	46,676	808,878	1,774,353
Asset management											
Asset register summary (WDV)	6,639,765	6,810,307	6,746,220		7,121,965	7,121,965	7,121,965	6,915,255	6,915,255	6,887,885	7,074,318
Depreciation & asset impairment	124,044	253,485	273,650		158,000	158,000	158,000	222,212	222,212	256,533	282,183
Renewal of Existing Assets	95,810	88,822	-		119,912	174,103	174,103	174,103	268,858	187,929	190,400
Repairs and Maintenance	118,194	65,648	39,510		89,185	89,288	89,288	94,956	94,956	99,267	130,406
Free services											
Cost of Free Basic Services provided	39,245	-	-		-	-	-	-	-	-	-
Revenue cost of free services provided	71,326	267,211	-		338,903	338,903	338,903	363,502	363,502	391,259	420,337
Households below minimum service level											
Water:	2	-	6		-	-	6	-	-	-	-
Sanitation/sewerage:	-	-	5		-	-	-	-	-	-	-
Energy:	-	-	-		-	-	-	-	-	-	-
Refuse:	58	54	-		74	74	74	54	54	34	20



MSUNDUZI ANNUAL BUDGET

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the City's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. A financial management reform emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. No borrowing is anticipated
 - iii. Internally generated funds are financed from the current operating surplus. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

2013/14 to 2015/16

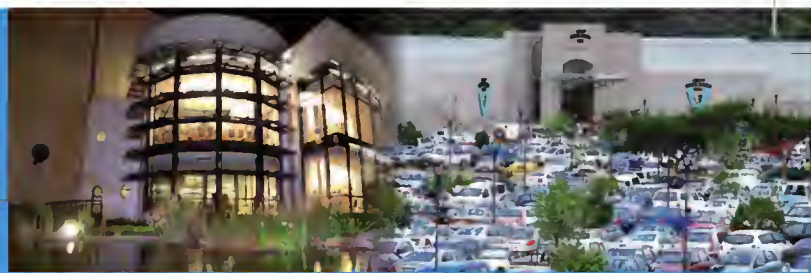


Table 12 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

KZN225 Msunduzi - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)										
Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard										
Governance and administration		980,034	1,029,257	1,119,104	668,763	882,848	882,848	863,576	895,852	790,372
Executive and council		465	700	564	287	1,240	1,240	302	317	-
Budget and treasury office		960,908	1,005,928	1,112,184	642,450	853,288	853,288	846,614	876,975	786,303
Corporate services		18,662	22,629	6,356	26,026	28,320	28,320	16,660	18,559	4,069
Community and public safety		77,867	31,697	40,340	26,289	40,416	40,416	32,854	34,473	10,929
Community and social services		5,699	4,659	18,150	1,527	23,470	23,470	1,631	1,741	2,683
Sport and recreation		901	796	1,971	835	552	552	892	953	35
Public safety		9,564	9,145	5,451	6,631	7,166	7,166	26,998	28,412	8,133
Housing		50,924	4,485	4,123	14,664	4,121	4,121	3,233	3,260	77
Health		10,779	12,612	10,645	2,632	5,106	5,106	101	108	2
Economic and environmental services		25,601	34,364	107,704	5,721	73,574	73,574	5,350	6,445	15,521
Planning and development		10,811	5,441	40,593	4,788	18,098	18,098	4,342	5,354	15,026
Road transport		14,790	28,923	67,110	933	55,476	55,476	1,008	1,091	495
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		1,462,475	1,762,619	2,036,663	2,268,708	2,122,114	2,122,114	2,263,174	2,507,785	2,903,199
Electricity		945,257	1,069,468	1,267,996	1,557,285	1,445,525	1,445,525	1,640,105	1,880,590	2,241,938
Water		307,001	473,549	508,028	398,569	452,682	452,682	392,974	383,327	411,586
Waste water management		144,658	142,243	170,205	174,132	138,097	138,097	144,974	148,808	151,784
Waste management		65,559	77,360	90,434	138,721	85,810	85,810	85,120	95,059	97,891
Other	4	29,662	44,062	28,968	18,309	19,080	19,080	126,531	100,548	94,083
Total Revenue - Standard	2	2,575,640	2,902,000	3,332,779	2,987,790	3,138,032	3,138,032	3,291,485	3,545,102	3,814,105
Expenditure - Standard										
Governance and administration		514,290	562,611	488,015	547,848	475,334	475,336	478,471	563,959	439,115
Executive and council		-	-	21	71,094	60,050	71,530	63,134	66,337	69,712
Budget and treasury office		448,665	477,872	487,363	206,566	140,383	128,906	210,837	327,710	175,252
Corporate services		65,625	84,739	631	270,188	274,900	274,900	204,500	169,912	194,151
Community and public safety		419,190	403,145	452,941	376,578	386,364	386,364	389,983	424,529	507,342
Community and social services		40,432	44,617	87,882	38,719	53,970	53,970	62,957	65,257	73,555
Sport and recreation		85,786	94,720	104,373	77,038	72,964	72,964	75,535	79,930	78,277
Public safety		169,146	173,748	171,160	177,669	203,610	203,610	205,998	231,587	305,851



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)										
Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Housing		69,528	34,718	31,956	36,554	20,804	20,804	19,696	20,386	21,120
Health		54,298	55,342	57,570	46,598	35,015	35,015	25,797	27,369	28,539
Economic and environmental services		217,935	217,368	317,415	161,452	303,924	303,924	112,986	115,416	96,416
Planning and development		45,815	38,536	54,896	65,668	92,240	92,240	72,383	76,054	78,639
Road transport		172,120	178,832	262,519	95,784	211,685	211,685	40,603	39,363	17,777
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		1,615,560	1,570,083	1,789,592	1,855,665	1,923,119	1,923,119	2,180,746	2,344,110	2,620,053
Electricity		1,059,705	936,217	1,144,078	1,215,590	1,215,208	1,215,208	1,482,680	1,587,127	1,784,637
Water		336,009	416,245	425,843	476,068	514,614	514,614	573,488	525,292	456,072
Waste water management		118,086	126,757	116,054	95,019	115,952	115,952	23,555	127,056	268,617
Waste management		101,761	90,864	103,617	68,988	77,345	77,345	101,024	104,635	110,728
Other	4	39,914	53,980	45,086	41,102	40,498	40,497	62,713	32,531	101,177
Total Expenditure - Standard	3	2,806,890	2,807,186	3,093,048	2,982,646	3,129,239	3,129,239	3,224,899	3,480,545	3,764,104
Surplus/(Deficit) for the year		(231,250)	94,814	239,731	5,144	8,793	8,792	66,586	64,557	50,001

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

2013/14 to 2015/16

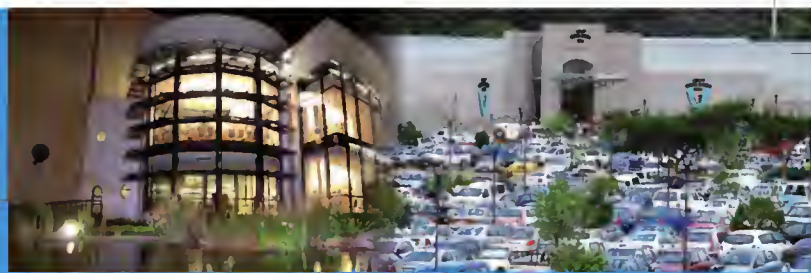


Table 13 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

KZN225 Msunduzi - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote	1									
Vote 1 - Corporate Services		15,487	8,268	20,175	2,920	24,847	24,847	24,112	24,459	23,050
Vote 2 - Financial Management Area		960,999	1,006,732	1,557,472	643,041	853,883	853,883	948,138	934,650	1,032,209
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		1,548,538	1,810,650	1,680,967	2,298,991	2,201,636	2,201,636	2,260,701	2,526,618	2,702,891
Vote 4 - Sustainable Community Service Delivery Provision Management		50,616	76,349	74,165	42,837	57,666	57,666	58,533	59,375	55,955
Total Revenue by Vote	2	2,575,640	2,902,000	3,332,779	2,987,790	3,138,032	3,138,032	3,291,485	3,545,102	3,814,105
Expenditure by Vote to be appropriated	1									
Vote 1 - Corporate Services		16,912	19,009	22,373	241,789	267,727	267,727	285,544	312,317	340,422
Vote 2 - Financial Management Area		470,475	493,683	507,856	243,368	164,160	164,160	244,421	120,177	271,645
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		1,928,048	1,849,196	2,099,834	2,088,990	2,279,080	2,279,080	2,284,628	2,598,914	2,541,700
Vote 4 - Sustainable Community Service Delivery Provision Management		391,455	445,299	462,986	408,500	418,272	418,272	410,306	449,137	610,337
Total Expenditure by Vote	2	2,806,890	2,807,186	3,093,048	2,982,646	3,129,239	3,129,239	3,224,899	3,480,545	3,764,104
Surplus/(Deficit) for the year	2	(231,250)	94,814	239,731	5,144	8,793	8,793	66,586	64,557	50,001

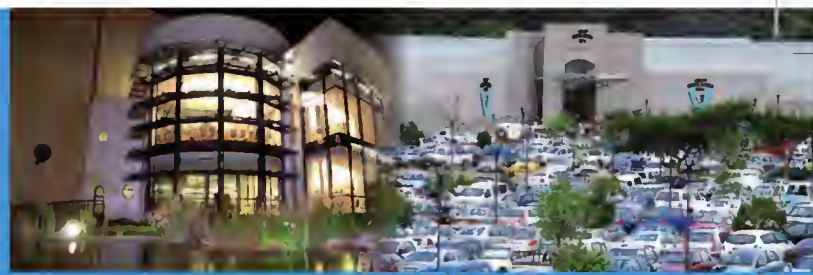
Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the City. This means it is possible to present the operating surplus or deficit of a vote.

Table 14 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

KZN225 Msunduzi - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure By Type											
Employee related costs	2	626,885	634,106	666,198	713,415	731,928	731,928	731,928	779,721	819,440	861,792
Remuneration of councillors		19,386	18,418	31,427	34,000	34,001	34,000	34,000	36,419	38,422	40,535
Debt impairment	3	250,540	96,000	58,210	250,342	250,342	250,342	250,342	137,510	130,634	124,103
Depreciation & asset impairment	2	124,044	253,485	273,650	158,000	158,000	158,000	158,000	222,212	256,533	282,183
Finance charges		75,273	71,568	72,134	77,500	70,831	70,831	70,831	64,600	59,255	54,480
Bulk purchases	2	804,979	994,366	1,217,335	1,382,923	1,406,504	1,406,504	1,406,504	1,493,890	1,650,634	1,770,060
Other materials	8	-	-	-	14,154	19,046	19,046	19,046	23,861	25,220	25,658
Contracted services		-	-	67,803	56,948	65,754	65,754	65,754	57,176	59,886	61,919
Transfers and grants		4,342	3,967	4,144	4,500	4,500	4,500	4,500	5,027	5,274	5,563
Other expenditure	4, 5	903,640	735,314	702,148	290,862	388,332	388,334	388,334	404,483	435,248	537,811
Loss on disposal of PPE		(2,199)	(37)	-	-	-	-	-	-	-	-
Total Expenditure		2,806,890	2,807,186	3,093,048	2,982,646	3,129,239	3,129,239	3,129,240	3,224,899	3,480,545	3,764,103
Surplus/(Deficit)		(231,250)	94,814	239,731	5,144	8,793	8,792	8,792	66,586	64,557	50,001
Transfers recognised - capital		78,407	84,654	148,674	230,014	216,719	216,719	216,719	383,158	204,271	202,390
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391
Taxation											
Surplus/(Deficit) after taxation		(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391

MSUNDUZI ANNUAL BUDGET



Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R 3.2 billion in 2013/4 and escalates to R3.5 billion by 2014/15. This represents a year-on-year increase of 4.89 per cent for the 2013/14 financial year and 12.97 per cent for the 2014/15 financial year compared to the adjusted budget 2012/13.
2. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 15 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

KZN225 Msunduzi - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description		2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure - Vote											
Multi-year expenditure to be appropriated											
	Vote 1 - Corporate Services	7,373	3,552	12,689	-	-	-	-	2,500	5,000	2,800
	Vote 2 - Financial Management Area	4,975	152	35	-	-	-	-	-	-	-
	Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	130,572	91,807	194,877	163,117	149,684	149,684	149,684	379,546	201,532	137,067
	Vote 4 - Sustainable Community Service Delivery Provision Management	33,113	15,638	15,963	32,815	28,260	28,260	28,260	-	-	-
Capital multi-year expenditure sub-total		176,033	111,149	223,563	195,932	177,944	177,944	177,944	382,046	206,532	139,867
Single-year expenditure to be appropriated											
	Vote 1 - Corporate Services	-	-	-	5,150	12,782	12,782	12,782	3,100	-	-
	Vote 2 - Financial Management Area	-	-	-	-	3,424	3,424	3,424	7,000	12,000	13,000
	Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	-	-	-	15,636	92,993	92,993	92,993	42,702	42,939	98,323
	Vote 4 - Sustainable Community Service Delivery Provision Management	-	-	-	13,296	22,613	22,613	22,613	8,310	2,800	1,200
Capital single-year expenditure sub-total											
Total Capital Expenditure - Vote		176,033	111,149	223,563	34,082	131,812	131,812	131,812	61,112	57,739	112,523
					230,014	309,756	309,756	309,756	443,158	264,271	252,390
Capital Expenditure - Standard											
Governance and administration											
	Executive and council	15,401	7,557	12,723	10,300	14,369	14,369	14,369	30,760	27,000	25,840
	Budget and treasury office	41	235		4,150	4,395	4,395	4,395	-	-	-
	Corporate services	15,360	7,323	35	6,150	9,574	9,574	9,574	30,760	27,000	25,840
				12,689	-	400	400	400	-	-	-
Community and public safety		26,301	612	12,838	26,146	23,148	23,148	23,148	4,500	2,800	1,200
	Community and social services	4,090	436	12,620	13,500	11,790	11,790	11,790	2,800	2,800	1,200



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding										
Vote Description	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework					
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Sport and recreation	943	-	-	7,100	9,100	9,100	9,100	1,700	-	-
Public safety	18,103	165	218	-	1,212	1,212	1,212	-	-	-
Housing	2,370	11	-	4,500	-	-	-	-	-	-
Health	794	-	-	1,046	1,046	1,046	1,046	-	-	-
Economic and environmental services	34,816	46,382	84,650	78,748	64,302	64,302	64,302	163,976	64,120	28,400
Planning and development	2,235	-	59	-	6,987	6,987	6,987	2,700	-	-
Road transport	32,581	46,382	84,591	78,748	57,315	57,315	57,315	161,276	64,120	28,400
Environmental protection										
Trading services	95,412	45,413	110,227	95,505	185,362	185,362	185,362	241,112	170,351	196,950
Electricity	21,459	16,592	26,696	9,083	96,940	96,940	96,940	151,500	59,372	42,210
Water	16,850	12,860	63,324	43,169	45,169	45,169	45,169	34,425	58,879	83,840
Waste water management	53,477	15,491	20,206	41,200	41,200	41,200	41,200	47,097	44,600	63,400
Waste management	3,626	471	20,206	2,053	2,053	2,053	2,053	8,091	7,500	7,500
Other	4,104	11,184	3,125	19,315	22,575	22,575	22,575	2,810	-	-
Total Capital Expenditure - Standard	176,033	111,149	223,563	230,014	309,756	309,756	309,756	443,158	264,271	252,390
Funded by:										
National Government	77,037	73,020	123,053	208,599	160,485	160,485	160,485	383,158	204,271	202,390
Provincial Government	1,371	11,429	25,621	21,415	56,234	56,234	56,234	-	-	-
Other transfers and grants	-	205	-	-	-	-	-	-	-	-
Transfers recognised - capital	78,407	84,654	148,674	230,014	216,719	216,719	216,719	383,158	204,271	202,390
Public contributions & donations	-	-	-	-	135	135	135	-	-	-
Borrowing	97,626	26,495	-	-	47,075	47,075	47,075	-	-	-
Internally generated funds	-	-	74,889	-	45,827	45,827	45,827	60,000	60,000	50,000
Total Capital Funding	176,033	111,149	223,563	230,014	309,756	309,756	309,756	443,159	264,271	252,390

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

- Table A5 is a breakdown of expenditure by funding (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.



Table 16 MBRR Table A6 - Budgeted Financial Position

KZN225 Msunduzi - Table A6 Consolidated Budgeted Financial Position											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS											
Current assets											
Cash		138,024	293,827	22,574	61,417	61,417	61,417	61,417	64,672	67,841	1,062,840
Call investment deposits	1	118,689	282,404	561,104	511,892	648,239	648,239	648,239	539,022	565,434	593,706
Consumer debtors	1	214,804	352,890	542,688	737,498	737,498	737,498	737,498	690,704	937,055	811,384
Other debtors		(85,141)	(267,508)	10,337	8,254	8,254	8,254	8,254	7,354	7,104	21,393
Current portion of long-term receivables		–	–	–	43,584	43,584	43,584	43,584	45,175	42,691	42,101
Inventory	2	62,079	57,922	57,007	53,720	53,720	53,720	53,720	56,567	59,339	77,513
Total current assets		448,454	719,535	1,193,710	1,416,365	1,552,712	1,552,712	1,552,712	1,403,494	1,679,462	2,608,937
Non current assets											
Long-term receivables		–	–	–	7,963	7,963	7,963	7,963	8,385	8,796	8,959
Investments					66	66	66	66	69	73	
Investment property		411,492	405,306	381,012	405,306	405,306	405,306	405,306	405,306	405,306	405,306
Investment in Associate											
Property, plant and equipment	3	6,344,394	6,397,646	6,361,643	6,708,834	6,708,834	6,708,834	6,708,834	6,504,318	6,479,146	6,661,730
Agricultural											
Biological					543	543	543	543	543	543	
Intangible		6,465	7,283	3,459	7,283	7,283	7,283	7,283	5,088	2,890	7,282
Other non-current assets		4,190	6,695	8,181							
Total non current assets		6,766,541	6,816,930	6,754,296	7,129,993	7,129,994	7,129,994	7,129,994	6,923,709	6,896,753	7,083,277
TOTAL ASSETS		7,214,996	7,536,465	7,948,006	8,546,358	8,682,706	8,682,706	8,682,706	8,327,203	8,576,215	9,692,214
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	3,443	2,861	43,584	43,584	43,584	43,584	43,584	38,030	36,129	34,323
Consumer deposits		35,794	70,633	71,648	70,829	70,829	70,829	70,829	73,941	77,564	94,523
Trade and other payables	4	533,847	527,157	601,139	262,607	262,607	262,607	262,607	618,107	308,538	326,176
Provisions		761	282	2,560							582
Total current liabilities		573,844	600,934	718,931	377,021	377,021	377,021	377,021	730,078	422,230	455,604
Non current liabilities											
Borrowing		570,129	518,942	577,963	647,309	647,309	647,309	647,309	573,000	503,000	430,000
Provisions		154,721	232,001	308,270	2,585	2,585	2,585	2,585	–	–	–



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A6 Consolidated Budgeted Financial Position												
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Total non current liabilities			724,850	750,943	886,232	649,894	649,894	649,894	649,894	573,000	503,000	430,000
TOTAL LIABILITIES			1,298,694	1,351,876	1,605,163	1,026,915	1,026,915	1,026,915	1,026,915	1,303,078	925,230	885,604
NET ASSETS		5	5,916,302	6,184,589	6,342,843	7,519,443	7,655,791	7,655,791	7,655,791	7,024,125	7,650,985	8,806,610
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)			5,863,822	6,131,375	6,287,317	7,466,185	7,602,533	7,602,533	7,602,533	7,706,195	7,592,156	8,753,396
Reserves		4	52,480	53,214	55,526	53,258	53,258	53,258	53,258	56,081	58,829	53,214
Minorities' interests												
TOTAL COMMUNITY WEALTH/EQUITY		5	5,916,302	6,184,589	6,342,843	7,519,443	7,655,791	7,655,791	7,655,791	7,762,276	7,650,985	8,806,610

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

5. Consumer debtors as at the end of April 2013 has increase to R 1.4 billion but projection for the 2013/14 is R1.1 billion. This projection for 2013/14 is based on the following assumptions:

- Debt write-off will be done on adhoc basis
- Meter reading process will be reviewed
- System will be put in place to avoid illegal connections
- Strategy will be implemented to improve the current collection rate

Table 17 MBRR Table A7 - Budgeted Cash Flow Statement

2013/14 to 2015/16



KZN225 Msunduzi - Table A7 Consolidated Budgeted Cash Flows											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		1,969,438	2,356,073	2,799,143	2,360,144	3,001,215	3,001,215	3,001,215	2,466,204	2,941,311	3,124,741
Government - operating	1		-	-	365,204	422,170	422,170	422,170	383,848	424,310	395,917
Government - capital	1		-	-	230,014	263,929	263,929	263,929	383,158	194,271	192,390
Interest		27,918	51,796	91,701	12,100	18,357	18,357	18,357	27,029	-	-
Dividends			-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(1,885,516)	(1,855,618)	(2,382,379)	(2,642,049)	(3,216,664)	(3,216,664)	(3,216,664)	(2,795,550)	(3,211,793)	(3,511,794)
Finance charges		(73,754)	(71,568)	(72,134)	(77,500)	(70,831)	(70,831)	(70,831)	(64,600)	(59,255)	(54,480)
Transfers and Grants	1	-	-	-	(4,500)	(4,500)	(4,500)	(4,500)	(5,027)	(5,274)	(5,563)
NET CASH FROM/(USED) OPERATING ACTIVITIES		38,087	480,683	436,331	243,413	413,676	413,676	413,676	395,062	283,570	141,211
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		1,937	11,072	1,529	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors			(2,505)	(1,487)	-	-	-	-	-	-	(620)
Decrease (Increase) other non-current receivables		503	(111,994)	(358,811)	(1,566)	-	(1,566)	(1,566)	(422)	(411)	-
Decrease (Increase) in non-current investments		122,675			2,096	-	2,096	2,096	(3)	(4)	-
Payments											
Capital assets		(154,962)	(199,406)	148,383	(230,014)	(263,929)	(263,929)	(263,929)	(285,394)	(194,271)	(192,390)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(29,847)	(302,834)	(210,387)	(229,484)	(263,929)	(263,399)	(263,399)	(285,819)	(194,686)	(193,010)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		(50,000)		-	-	-	-	-	-	-	(42,870)
Borrowing long term/refinancing		226,095	(56,885)	62,582	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		986	34,839	1,014	(14)	(14)	(14)	(14)	3,722	3,623	5,350
Payments											
Repayment of borrowing		(37,490)			(19,729)	(19,729)	(19,729)	(19,729)	(45,175)	37,022	270,665
NET CASH FROM/(USED) FINANCING ACTIVITIES		139,592	(22,046)	63,596	(19,743)	(19,743)	(19,743)	(19,743)	(41,453)	40,645	233,145
NET INCREASE/ (DECREASE) IN CASH HELD		147,832	155,803	289,540	(5,814)	130,004	130,534	130,534	67,790	129,529	181,346
Cash/cash equivalents at the year begin:	2	112,867	260,699	416,502	706,042	700,228	700,228	700,228	830,762	898,552	1,028,081
Cash/cash equivalents at the year end:	2	260,699	416,502	706,042	700,228	830,232	830,762	830,762	898,552	1,028,081	1,209,427

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. Revenue collection rate on core revenue is based on 85%.
4. Capital expenditure is based on the assumption that 60% will be spent in the 2013/14 financial and 40% will be unspent.

Table 18 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN225 Msunduzi - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available											
Cash/cash equivalents at the year end	1	260,699	416,502	706,042	700,228	830,232	830,762	830,762	898,552	1,028,081	1,209,427
Other current investments > 90 days		(3,986)	159,729	(122,364)	(126,920)	(120,576)	(121,106)	(121,106)	(294,859)	(394,807)	447,119
Non current assets - Investments	1	-	-	-	66	66	66	66	69	73	-
Cash and investments available:		256,713	576,231	583,678	573,374	709,722	709,722	709,722	603,763	633,347	1,656,546
Application of cash and investments											
Unspent conditional transfers		140,882	121,164	149,448	-	-	-	-	97,764	-	-
Unspent borrowing		570,129	518,942	577,963	647,309	-	647,309	-	573,000	503,000	430,000
Statutory requirements	2										
Other working capital requirements	3	255,104	284,053	(152,601)	(497,969)	(655,171)	(655,171)	(655,172)	(171,000)	(678,531)	(547,807)
Other provisions	4										
Long term investments committed	5	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments									57,323		
Total Application of cash and investments:		966,114	924,159	574,809	149,341	(655,171)	(7,861)	(655,172)	557,087	(175,531)	(117,807)
Surplus(shortfall)		(709,402)	(347,927)	8,869	424,033	1,364,892	717,583	1,364,893	46,676	808,878	1,774,353

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Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
2. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
3. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Table 19 MBRR Table A9 - Asset Management

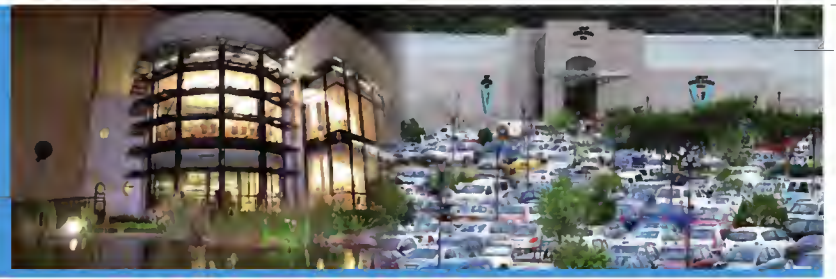
KZN225 Msunduzi - Table A9 Consolidated Asset Management										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CAPITAL EXPENDITURE										
Total New Assets	1	176,033	22,327	-	110,102	135,653	135,653	174,300	76,342	61,990
Infrastructure - Road transport		32,581	10,753	-	45,000	-	-	4,780	3,250	1,200
Infrastructure - Electricity		21,459	5,482	-	4,083	53,096	53,096	131,000	38,392	21,000
Infrastructure - Water		16,850	886	-	25,419	27,419	27,419	6,250	10,000	10,000
Infrastructure - Sanitation		-	1,055	-	-	-	-	2,000	2,000	6,000
Infrastructure - Other		55,604	-	-	15,000	15,000	15,000	-	-	-
Infrastructure		126,494	18,176	-	89,502	95,515	95,515	144,030	53,642	38,200
Community		33,175	80	-	20,600	36,069	36,069	-	-	-
Heritage assets		5,711	-	-	-	-	-	-	-	-
Other assets	6	10,654	4,070	-	-	4,069	4,069	30,270	22,700	23,790
Total Renewal of Existing Assets	2	95,810	88,822	-	119,912	174,103	174,103	268,858	187,929	190,400
Infrastructure - Road transport		25,990	35,629	-	33,748	57,315	57,315	138,495	60,870	27,200
Infrastructure - Electricity		4,900	11,109	-	5,000	39,584	39,584	30,500	16,380	21,210
Infrastructure - Water		27,507	11,974	-	17,750	17,750	17,750	27,925	48,879	73,490
Infrastructure - Sanitation		37,413	14,436	-	26,200	26,200	26,200	44,797	42,200	57,000
Infrastructure - Other		-	471	-	2,053	2,053	2,053	8,091	7,500	7,500
Infrastructure		95,810	73,619	-	84,751	142,902	142,902	249,808	175,829	186,400
Community		-	420	-	10,300	8,300	8,300	4,500	2,800	1,200
Other assets	6	-	14,782	-	24,861	22,901	22,901	14,550	9,300	2,800
Total Capital Expenditure	4									
Infrastructure - Road transport		58,571	46,382	-	78,748	57,315	57,315	143,275	64,120	28,400
Infrastructure - Electricity		26,359	16,592	-	9,083	92,680	92,680	161,500	54,772	42,210



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A9 Consolidated Asset Management										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Infrastructure - Water		44,357	12,860	-	43,169	45,169	45,169	34,175	58,879	83,490
Infrastructure - Sanitation		37,413	15,491	-	26,200	26,200	26,200	46,797	44,200	63,000
Infrastructure - Other		55,604	471	-	17,053	17,053	17,053	8,091	7,500	7,500
Infrastructure		222,304	91,796	-	174,253	238,417	238,417	393,838	229,471	224,600
Community		33,175	500	-	30,900	44,369	44,369	4,500	2,800	1,200
Heritage assets		5,711	-	-	-	-	-	-	-	-
Other assets		10,654	18,853	-	24,861	26,970	26,970	44,820	32,000	26,590
TOTAL CAPITAL EXPENDITURE - Asset class	2	271,843	111,149	-	230,014	309,756	309,756	443,158	264,271	252,390
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		1,732,723	1,791,861	1,798,801	1,909,947	3,422,557	3,422,557	1,803,653	1,815,754	2,034,644
Infrastructure - Electricity		1,339,526	1,227,314	1,227,562	1,279,037	1,295,792	1,295,792	1,433,474	1,456,283	1,458,274
Infrastructure - Water		838,634	900,288	909,907	935,919	908,017	908,017	944,423	973,995	1,026,596
Infrastructure - Sanitation		488,307	545,536	571,449	610,703	581,743	581,743	619,164	648,548	695,211
Infrastructure - Other		470,758	516,457	501,919	484,991	500,724	500,724	507,204	506,999	506,795
Infrastructure		4,869,949	4,981,456	5,009,639	5,220,596	6,708,834	6,708,834	5,307,918	5,401,579	5,721,519
Community		528,327	498,059	468,970	573,751	573,751	573,751	415,343	372,106	321,765
Investment properties		411,492	405,306	381,012	405,306	405,306	405,306	405,306	405,306	405,306
Other assets		823,531	918,203	883,141	914,487	543	543	781,057	705,461	618,446
Biological assets		-	-	-	543	543	543	543	543	-
Intangibles		6,465	7,283	3,459	7,283	7,283	7,283	5,088	2,890	7,282
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	6,639,765	6,810,307	6,746,220	7,121,965	7,121,965	7,121,965	6,915,255	6,887,885	7,074,318
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment										
Repairs and Maintenance by Asset Class	3									
Infrastructure - Road transport		124,044	253,485	273,650	158,000	158,000	158,000	222,212	256,533	282,183
Infrastructure - Electricity		118,194	65,648	39,510	89,185	89,288	89,288	94,956	99,267	130,406
Infrastructure - Water		32,919	1,596	3,392	5,361	5,361	5,361	7,094	7,548	7,729
Infrastructure - Sanitation		23,195	31,949	13,726	24,992	26,526	26,526	48,014	51,432	54,071
Infrastructure - Other		19,258	345	1,216	746	746	746	1,554	1,632	1,728
Infrastructure - Other		-	8,254	-	-	-	-	502	531	561
Infrastructure		435	405	6,862	86	86	86	-	-	-
Community		75,807	42,549	25,196	31,185	32,719	32,719	57,165	61,144	64,090
Other assets		1,974	3,218	9,015	2,074	2,486	2,486	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	6, 7	242,237	319,133	313,160	247,185	247,288	247,288	317,168	355,800	412,589

2013/14 to 2015/16



KZN225 Msunduzi - Table A9 Consolidated Asset Management											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
Renewal of Existing Assets as % of total capex		35.2%	79.9%	0.0%	52.1%	56.2%	56.2%	60.7%	71.1%	75.4%	
Renewal of Existing Assets as % of deprecn"		77.2%	35.0%	0.0%	75.9%	110.2%	110.2%	121.0%	73.3%	67.5%	
R&M as a % of PPE		1.9%	1.0%	0.6%	1.3%	1.3%	1.3%	1.5%	1.5%	2.0%	
Renewal and R&M as a % of PPE		3.0%	2.0%	1.0%	3.0%	4.0%	4.0%	5.0%	4.0%	5.0%	

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.



MSUNDUZI ANNUAL BUDGET

PART 2 – SUPPORTING DOCUMENTATION

2.1. Overview of the annual budget process

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the City's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1. Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2012) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on 31 August 2012. Key dates applicable to the process were:

IDP (BUDGET/PMS/SDF/LED) PROCESS PLAN 2013/14				
PROGRAMME OF ACTION FOR 2012/13 FINANCIAL YEAR IN PREPARATION FOR 2013/14				
IDP/BUDGET REVIEW PROCESS	ACTIVITIES	OUTPUT	TIMEFRAME	PERSON RESPONSIBLE
Adoption of the Process Plan 2013/14	Adoption of the IDP Process Plan 2013/14 for approval by Full Council	Approved IDP Process Plan including the Key Development Priorities according to the MFMA s 21, 23	31 August 2012	City Manager and IDP office
Consultation on the Process Plan 2013/14	Advertise Process Plan	Advertised Process Plan 2013/14 within 21 days after the approval by Full Council	21 September 2012	City Manager and IDP office
	Circulate Budget Guidelines to Business Units	Budget Guidelines circulated	12-Oct-12	Budget & Treasury (Business Unit)
Public participation	Consult various stakeholders (IDP Rep Forum) through Private Sector, Sector Departments, Parastatals, NGOs, ward committees etc. on strategies and priorities	Presentation of revised strategies, progress report on OPMS and discussed stakeholders priorities (a District joint stakeholders and public engagements)	16 – 30 November 2012	Internal stakeholders, ward committees, Amakhosi, NGOs, Sector depts. Business, CBOs etc



IDP (BUDGET/PMS/SDF/LED) PROCESS PLAN 2013/14				
PROGRAMME OF ACTION FOR 2012/13 FINANCIAL YEAR IN PREPARATION FOR 2013/14				
IDP/BUDGET REVIEW PROCESS	ACTIVITIES	OUTPUT	TIMEFRAME	PERSON RESPONSIBLE
Final Draft IDP/ Operational and Capital Budget	To Full Council	Present Draft IDP, Budget SDBIP to Full Council	31 March 2013	City Mayor
Advertise the draft IDP	Issue a public notice on the draft IDP and Budget within 21 days		5 April 2013	City Manager
Public Consultation	To present Draft IDP and Budget for public comments	Ensured public comments on Draft IDP and Budget	14 April 2013	City Mayor
Public Consultation	To present Draft IDP and Budget for public comments	Ensured public comments on Draft IDP and Budget	14 April 2013	City Mayor
	Present approved annual budget	Approved annual budget	31 May 2013 (at least 30 days before the start of the budget)	Mayor (Municipal Manager)
	Display a copy of resolution	Display copy of resolution	01-Jun-13	Budget & Treasury (Relevant stakeholders)
	Information to be placed on website	Posted information on a website	7 June 2013 (no later than five days after the approval of budget by Council)	Information Management (relevant stakeholders)

2.1.2. Financial Modelling and Key Planning Drivers

As part of the compilation of the 2013/14 MTREF extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2013/14 MTREF:

- City growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2012/13 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery
- Long Term Financial Plan (LTFP)

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51, 54, 59, 66 and 67 has been taken into consideration in the planning and prioritisation process.



MSUNDUZI ANNUAL BUDGET

2.1.3. Community Consultation

The draft 2013/14 MTREF as tabled before Council on 20 March 2013 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process from 14 to 22 April 2013. The applicable dates and venues were published in all the local newspapers. Additional initiatives will be launched during the consultation process, including the specific targeting of ratepayer associations, churches, non-governmental institutions and community-based organisations. Individual sessions are scheduled with organised business and imbizo's will be held to further ensure transparency and interaction.

2.2. Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the City, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the City strategically complies with the key national and provincial priorities.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.



Table 20 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

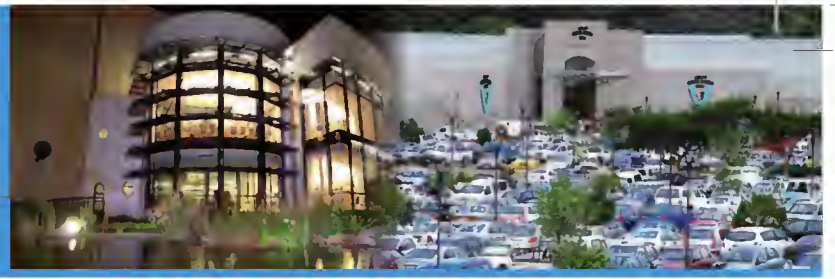
KZN225 Msunduzi - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
To improve health care	To promote health,safety & caring of environment	A										
To upgrade, resurface roads including associated stormwater rainage,to improve the total road network	To improve & maintain infrastructure assets	B										
To upgrade,replace,rehabilitate sewer infrastructure	To improve & maintain infrastructure assets	C										
To complete installation of renewal,provide access to basic water,elimination of standpipes,upgrade	To improve & maintain infrastructure assets	D										
To provide access to lighting,refurbish transmission lines,replace switchgear	To improve & maintain infrastructure assets	E										
To bring the landfill in compliance with NEMA	To promote health,safety & caring of environment	F										
To promote social integration	Promote the city heritage & enhance sustainable tourism	G		4,226								
To provide sustainable & developmental finance through sound financial management	Use technology advancement to improve service delivery			95,083								
To ensure proper regulations,control and enforcement	To promote & enhance e-governance			3,500								
To develop social housing	To promote integrated development			13,390								
To provide adequate staffing levels	To promote & enhance e-governance			11,225								
To promote the involvement of communities	To promote integrated development			5,100								
Environmentally sustainable development	To promote integrated development			17,980								
To promote access to basic services	To promote integrated development			1,495								



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KZN225 Msunduzi - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	Basic Service Delivery and Infrastructure Development	A city where everybody has access to habitable human settlements-decent houses, clean water and proper sanitation		1,315			230,014	255,756	255,756	390,431	224,201	210,000
	Financial Viability and Management	An efficiently managed, financially viable and sustainable City		4,680								
	Basic Service Delivery and Infrastructure Development	A safe city, with low crime levels, and quality living areas	H	1,410				30,000	30,000			
	Environmental Planning and Social Services	An environmental sustainable and healthy city	I	5,850				5,000	5,000	27,680	19,198	22,000
	Local Economic Development	A vibrant economic centre, attracting investment, supporting business development and creating jobs	J	8,899				19,000	19,000	22,725	18,938	20,390
	Basic Service Delivery and Infrastructure Development	A well planned, spatially integrated city	K	1,880						2,321	1,934	
			L		85,957							
			M									
			N									
			O		12,070							
			P		11,906							
				3	1,216							
	Allocations to other priorities			1		-	230,014	309,756	309,756	443,157	264,271	252,390

2013/14 to 2015/16



The following table sets out the municipalities main performance objectives and benchmarks for the 2013/14 MTREF.

Table 21 MBRR Table SA8 - Performance indicators and benchmarks

KZN225 Msunduzi - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating Expenditure	4.0%	2.5%	2.3%	3.3%	2.9%	2.9%	2.9%	3.4%	0.6%	-5.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.1%	2.8%	2.5%	3.7%	3.3%	3.3%	3.3%	3.8%	0.7%	-6.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	180.4%	-214.7%	83.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-85.7%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	1086.4%	975.2%	1040.9%	1215.4%	1215.4%	1215.4%	1215.4%	1021.7%	855.0%	808.1%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0.8	1.2	1.7	3.8	4.1	4.1	4.1	1.9	4.0	5.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.8	1.2	1.7	3.8	4.1	4.1	4.1	1.9	4.0	5.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.4	1.0	0.8	1.5	1.9	1.9	1.9	0.8	1.5	3.6
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		89.0%	89.6%	86.9%	90.4%	111.3%	111.2%	111.2%	86.1%	94.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			89.0%	94.1%	99.7%	90.4%	111.3%	111.3%	111.3%	86.1%	94.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	5.0%	2.9%	16.6%	26.7%	25.4%	25.4%	25.4%	22.8%	28.1%	23.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										



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KZN225 Msunduzi - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Creditors to Cash and Investments		142.1%	87.5%	56.5%	26.2%	22.1%	22.1%	22.1%	48.6%	21.5%	19.4%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	Total Volume Losses (kl)										
	Total Cost of Losses (Rand '000)										
Employee costs	Employee costs/(Total Revenue - capital revenue)	24.3%	21.9%	20.0%	23.9%	23.3%	23.3%	23.3%	23.7%	23.1%	22.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	21.0%	21.8%	19.1%	25.0%	1.7%	24.4%	24.4%	24.8%	24.2%	23.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.6%	2.3%	1.2%	3.0%	2.8%	2.8%	2.8%	2.9%	2.8%	3.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.7%	11.2%	10.4%	7.9%	7.3%	7.3%	7.3%	8.7%	8.9%	8.8%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	42.9	27.4	89.0	68.9	68.9	68.9	37.6	(78.5)	(11.6)	(12.5)
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	8.0%	4.4%	24.8%	30.9%	30.3%	30.3%	30.3%	26.4%	32.2%	26.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.5	2.4	3.5	3.2	3.7	3.7	3.7	4.0	4.1	4.3



2.3. Overview of budget assumptions

2.3.1. External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the City's finances.

2.3.2. Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The City has no intention for borrowing in the 2013/14 financial year.

2.3.3. Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (85 per cent) of annual billings. Cash flow is assumed to be 85 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.3.4. Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the City, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.3.5. Budget related policies

Budget related policies were tabled together with budget and approved on 20 March 2013 by council are as follows:

- Tariff policy
- Rates policy
- Indigent policy
- Credit control and debt collection policy
- Cash management & investment policy
- Debt write-off policy
- Funding policy
- Virement



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The following graph is a breakdown of the operational revenue per main category for the 2013/14 financial year.

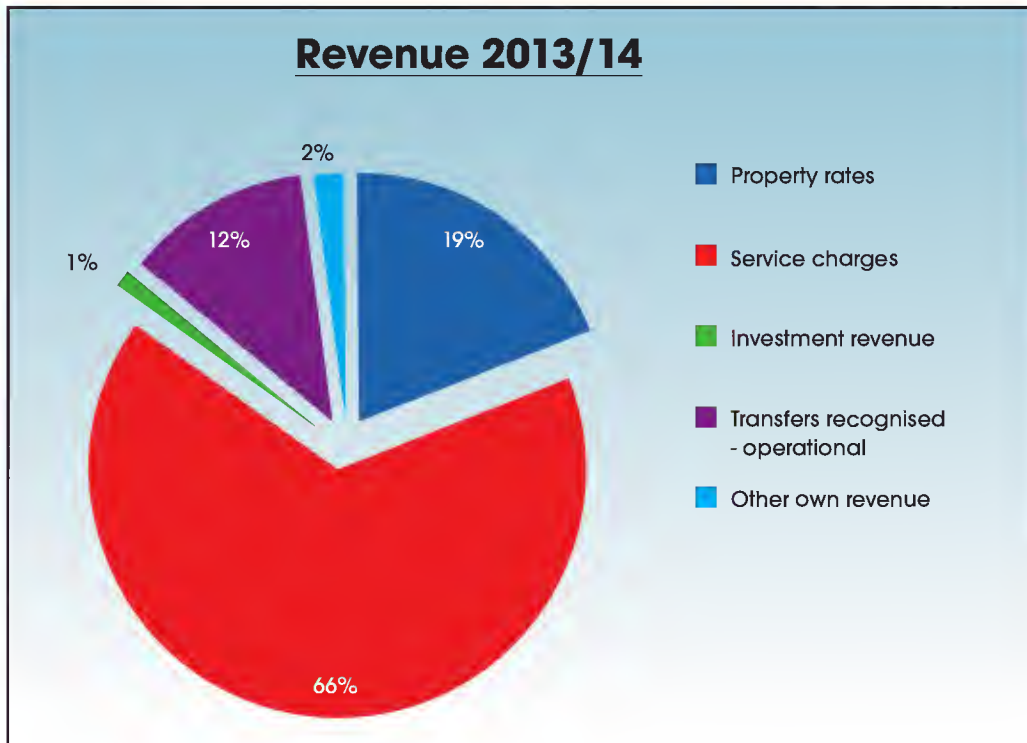


Figure 2 Breakdown of operating revenue over the 2013/14 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The City derives most of its operational revenue from the provision of goods and services such as property rates, water, electricity, sanitation and solid waste removal. Operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the city and economic development;
- Revenue management and enhancement;
- Achievement of a 95 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

2013/14 to 2015/16



Table 22 MBRR SA15 – Detail Investment Information

KZN225 Msunduzi - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		118,689	282,404	561,104	511,957	648,305	648,305	539,091	565,506	593,706
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	118,689	282,404	561,104	511,957	648,305	648,305	539,091	565,506	593,706
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		118,689	282,404	561,104	511,957	648,305	648,305	539,091	565,506	593,706



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Table 23 MBRR SA16 – Investment particulars by maturity

KZN225 Msunduzi - Supporting Table SA16 Investment particulars by maturity												
Investments by Maturity		Ref	Period of Investment	Type of Investment	"Capital Guarantee (Yes/ No)"	Variable or Fixed interest rate	"Interest Rate 3."	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID		1	Yrs/Months								Rand thousand	
Parent municipality												
Call - ABSA (Land Sales)				Call			5.05%				1,384	70
Call - RMB (Airport Dev Fund).				Call			5%				1,971	99
Call - RMB (Metro Trans Fund)				Call			5%				1,142	57
Call - RMB (Almond Bank Dev)				Call			5%				50,729	2,536
Call - RMB (MIG Grant)				Call			5%				126,068	6,303
Call - RMB (Unspent Conditional Grant)				Call			5%				338,587	16,929
Call - RMB (General Investments)				Call			5%				1,749	87
Call - RMB (Sale of Assets)				Call			5%				1,400	70
Call - RMB (Insurance Fund)				Call			5%				9,120	456
Call - RMB (Land sales)				Call			5%				1,686	84
Fixed - ABSA (WCA) - 12 Months				Fixed			6.40%				5,256	336
Municipality sub-total											539,091	27,029
Entities												
Entities sub-total											-	-
TOTAL INVESTMENTS AND INTEREST		1									539,091	27,029

2013/14 to 2015/16



Table 24 MBRR Table SA 17 - Detail of borrowings

KZN225 Msunduzi - Supporting Table SA17 Borrowing													
Borrowing - Categorised by type			Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
Parent municipality			1	570,129	518,942	577,963	647,309	647,309	647,309	573,000	503,000	430,000	
Long-Term Loans (annuity/reducing balance)													
Long-Term Loans (non-annuity)													
Local registered stock													
Instalment Credit													
Financial Leases													
PPP liabilities													
Finance Granted By Cap Equipment Supplier													
Marketable Bonds													
Non-Marketable Bonds													
Bankers Acceptances													
Financial derivatives													
Other Securities													
Municipality sub-total				570,129	518,942	577,963	647,309	647,309	647,309	573,000	503,000	430,000	
Entities			1										
Long-Term Loans (annuity/reducing balance)													
Long-Term Loans (non-annuity)													
Local registered stock													
Instalment Credit													
Financial Leases													
PPP liabilities													
Finance Granted By Cap Equipment Supplier													
Marketable Bonds													
Non-Marketable Bonds													
Bankers Acceptances													
Financial derivatives													
Other Securities													
Entities sub-total				-	-	-	-	-	-	-	-	-	-
Total Borrowing			1	570,129	518,942	577,963	647,309	647,309	647,309	573,000	503,000	430,000	



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KZN225 Msunduzi - Supporting Table SA17 Borrowing											
Borrowing - Categoricalised by type		Ref	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Unspent Borrowing - Categoricalised by type											
Parent municipality											
Long-Term Loans (annuity/reducing balance)			570,129	518,942	577,963	647,309	-	647,309	573,000	503,000	430,000
Long-Term Loans (non-annuity)											
Local registered stock											
Instalment Credit											
Financial Leases											
PPP liabilities											
Finance Granted By Cap Equipment Supplier											
Marketable Bonds											
Non-Marketable Bonds											
Bankers Acceptances											
Financial derivatives											
Other Securities											
Municipality sub-total		1	570,129	518,942	577,963	647,309	-	647,309	573,000	503,000	430,000
Entities											
Long-Term Loans (annuity/reducing balance)											
Long-Term Loans (non-annuity)											
Local registered stock											
Instalment Credit											
Financial Leases											
PPP liabilities											
Finance Granted By Cap Equipment Supplier											
Marketable Bonds											
Non-Marketable Bonds											
Bankers Acceptances											
Financial derivatives											
Other Securities											
Entities sub-total		1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing		1	570,129	518,942	577,963	647,309	-	647,309	573,000	503,000	430,000



Table 25 MBRR Table SA 18 - Capital transfers and grant

KZN225 Msunduzi - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		203,378	267,375	310,326	342,704	342,704	342,704	362,139	380,211	400,117
Local Government Equitable Share		199,824	267,211	304,835	338,903	338,903	338,903	354,313	373,677	393,300
Finance Management		750	165	1,979	1,500	1,500	1,500	1,550	1,600	1,650
Municipal Systems Improvement		400		978	800	800	800	890	934	967
EPWP Incentive					1,501	1,501	1,501	1,874		
Electricity Demand Side Management		2,404		2,534						
Water Services Operating Subsidy										
Other transfers/grants (insert description)										
Provincial Government:		10,548	33,467	4,074	22,500	22,500	22,500	21,709	21,856	22,863
Health subsidy		9,161								
Provincial Government:			20,979	1,207						
Health subsidy										
Expanded Public Works Grant				2,868						
Operating Grant - Property Rates										
Health		1,387	12,488		2,537	2,537	2,537			
Human Settlements					9,000	9,000	9,000			
Public Works										
Arts and Culture					10,963	10,963	10,963	21,709	21,856	22,863
District Municipality:										
(insert description)										
Other grant providers:										
(insert description)										
Total Operating Transfers and Grants	5	213,926	300,842	314,400	365,204	365,204	365,204	383,848	402,067	422,980
Capital Transfers and Grants										
National Government:		125,649	73,225	138,340	208,599	160,485	160,485	383,158	204,271	202,390
Municipal Infrastructure Grant (MIG)		91,339	48,348	138,340	153,399	150,170	150,170	151,312	159,271	170,390
Public Transport and Systems		7,737	11,663		45,000			100,846		
Neighbourhood Development Partnership					700	70	70		10,000	10,000
Rural Households Infrastructure					4,500					
Dept of Mineral/Electricity			3,757					8,000	5,000	10,000



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KZN225 Msunduzi - Supporting Table SA18 Transfers and grant receipts																
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework							
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16					
Integrated National Electrification Programme Other capital transfers/grants (insert description) Provincial Government: Airport Development Project Sport and Recreation Corridor Development KZNPA District Municipality: (insert description) Other grant providers: Carnegie			26,573	9,457		5,000	5,000	5,000	123,000	30,000	12,000					
			-	11,429	11,836	21,415	56,234	56,234	-	-	-	-				
				11,429	11,836	19,315	16,760	16,760	-	-	-	-				
						2,100	2,100	2,100	-	-	-	-				
							37,289	37,289	-	-	-	-				
							85	85	-	-	-	-				
Total Capital Transfers and Grants		5	125,649	84,654	150,176	230,014	216,854	216,854	383,158	204,271	202,390					
TOTAL RECEIPTS OF TRANSFERS & GRANTS			339,575	385,496	464,576	595,218	582,058	582,058	767,006	606,338	625,370					

2.3.5. Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).



Table 26 MBRR Table A7 - Budget cash flow statement

KZN225 Msunduzi - Table A7 Consolidated Budgeted Cash Flows											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		1,969,438	2,356,073	2,799,143	2,360,144	3,001,215	3,001,215	3,001,215	2,466,204	2,941,311	3,124,741
Government - operating	1		-	-	365,204	422,170	422,170	422,170	383,848	424,310	395,917
Government - capital	1		-	-	230,014	263,929	263,929	263,929	383,158	194,271	192,390
Interest		27,918	51,796	91,701	12,100	18,357	18,357	18,357	27,029	-	-
Dividends			-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(1,885,516)	(1,855,618)	(2,382,379)	(2,642,049)	(3,216,664)	(3,216,664)	(3,216,664)	(2,795,550)	(3,211,793)	(3,511,794)
Finance charges		(73,754)	(71,568)	(72,134)	(77,500)	(70,831)	(70,831)	(70,831)	(64,600)	(59,255)	(54,480)
Transfers and Grants	1	-	-	-	(4,500)	(4,500)	(4,500)	(4,500)	(5,027)	(5,274)	(5,563)
NET CASH FROM/(USED) OPERATING ACTIVITIES		38,087	480,683	436,331	243,413	413,676	413,676	413,676	395,062	283,570	141,211
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		1,937	11,072	1,529	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors			(2,505)	(1,487)	-	-	-	-	-	-	(620)
Decrease (increase) other non-current receivables		503	(111,994)	(358,811)	(1,566)	-	(1,566)	(1,566)	(422)	(411)	-
Decrease (increase) in non-current investments		122,675			2,096	-	2,096	2,096	(3)	(4)	-
Payments											
Capital assets		(154,962)	(199,406)	148,383	(230,014)	(263,929)	(263,929)	(263,929)	(285,394)	(194,271)	(192,390)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(29,847)	(302,834)	(210,387)	(229,484)	(263,929)	(263,399)	(263,399)	(285,819)	(194,686)	(193,010)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		(50,000)		-	-	-	-	-	-	-	(42,870)
Borrowing long term/refinancing		226,095	(56,885)	62,582	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		986	34,839	1,014	(14)	(14)	(14)	(14)	3,722	3,623	5,350
Payments											
Repayment of borrowing		(37,490)			(19,729)	(19,729)	(19,729)	(19,729)	(45,175)	37,022	270,665
NET CASH FROM/(USED) FINANCING ACTIVITIES		139,592	(22,046)	63,596	(19,743)	(19,743)	(19,743)	(19,743)	(41,453)	40,645	233,145
NET INCREASE/ (DECREASE) IN CASH HELD		147,832	155,803	289,540	(5,814)	130,004	130,534	130,534	67,790	129,529	181,346
Cash/cash equivalents at the year begin:	2	112,867	260,699	416,502	706,042	700,228	700,228	700,228	830,762	898,552	1,028,081
Cash/cash equivalents at the year end:	2	260,699	416,502	706,042	700,228	830,232	830,762	830,762	898,552	1,028,081	1,209,427



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2.3.6. Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 27 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

KZN225 Msunduzi - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available											
Cash/cash equivalents at the year end	1	260,699	416,502	706,042	700,228	830,232	830,762	830,762	898,552	1,028,081	1,209,427
Other current investments > 90 days		(3,986)	159,729	(122,364)	(126,920)	(120,576)	(121,106)	(121,106)	(294,859)	(394,807)	447,119
Non current assets - Investments	1	-	-	-	66	66	66	66	69	73	-
Cash and investments available:		256,713	576,231	583,678	573,374	709,722	709,722	709,722	603,763	633,347	1,656,546
Application of cash and investments											
Unspent conditional transfers		140,882	121,164	149,448	-	-	-	-	97,764	-	-
Unspent borrowing		570,129	518,942	577,963	647,309	-	647,309	-	573,000	503,000	430,000
Statutory requirements	2										
Other working capital requirements	3	255,104	284,053	(152,601)	(497,969)	(655,171)	(655,171)	(655,172)	(171,000)	(678,531)	(547,807)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5								57,323		
Total Application of cash and investments:		966,114	924,159	574,809	149,341	(655,171)	(7,861)	(655,172)	557,087	(175,531)	(117,807)
Surplus(shortfall)		(709,402)	(347,927)	8,869	424,033	1,364,892	717,583	1,364,893	46,676	808,878	1,774,353

2.3.7. Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 28 MBRR SA 10 – Funding compliance measurement

KZN225 Msunduzi Supporting Table SA10 Funding measurement																	
Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework							
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16					
Funding measures																	
Cash/cash equivalents at the year end - R'000	18(1)b	1	260,699	416,502	706,042	700,228	830,232	830,762	830,762	830,762	925,899	953,422	792,476				
Cash + investments at the yr end less applications - R'000	18(1)b	2	(709,402)	(347,927)	8,869	424,033	1,364,892	717,583	1,364,893	1,364,893	784,745	808,878	1,774,353				
Cash year end/monthly employee/supplier payments	18(1)b	3	1.5	2.4	3.5	3.2	3.7	3.7	3.7	3.7	4.1	3.9	3.1				
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(231,250)	94,814	239,731	5,144	8,793	8,792	8,792	8,792	449,743	268,828	252,391				
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	14.3%	9.1%	8.5%	(4.3%)	(6.0%)	(6.0%)	(6.0%)	2.2%	2.8%	2.0%				
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	89.0%	94.1%	99.7%	90.4%	111.3%	111.3%	111.3%	111.3%	86.1%	94.4%	92.9%				
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	15.5%	4.9%	2.6%	9.8%	9.6%	9.6%	9.6%	9.6%	4.9%	4.3%	3.8%				
Capital payments % of capital expenditure	18(1)c;19	8	88.0%	179.4%	(66.4%)	100.0%	85.2%	85.2%	85.2%	85.2%	69.2%	77.8%	99.3%				
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	231.6%	(214.7%)	83.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
Grants % of Govt. legislated/gazetted allocations	18(1)a	10	N.A.	(34.2%)	547.7%	42.7%	0.0%	0.0%	0.0%	0.0%	0.0%	(14.6%)	(11.3%)				
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.3%	4.9%	1.9%				
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	1.5%	2.0%				
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.9%	1.0%	0.6%	1.3%	1.3%	1.3%	1.4%	1.4%	1.5%	1.5%	2.0%				
Asset renewal % of capital budget	20(1)(vi)	14	54.4%	79.9%	0.0%	52.1%	56.2%	56.2%	0.0%	0.0%	60.7%	71.1%	75.4%				
Supporting indicators																	





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KZN225 Msunduzi Supporting Table SA10 Funding measurement													
Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
% incr total service charges (incl prop rates)	18(1)a			20.3%	15.1%	14.5%	1.7%	0.0%	0.0%	0.0%	8.2%	8.8%	8.0%
% incr Property Tax	18(1)a			7.8%	13.1%	13.7%	2.2%	0.0%	0.0%	0.0%	3.3%	9.0%	5.6%
% incr Service charges - electricity revenue	18(1)a			23.9%	19.9%	16.8%	0.0%	0.0%	0.0%	0.0%	10.0%	10.0%	10.0%
% incr Service charges - water revenue	18(1)a			26.4%	6.8%	10.1%	7.0%	0.0%	0.0%	0.0%	11.5%	5.4%	5.4%
% incr Service charges - sanitation revenue	18(1)a			34.6%	4.8%	6.0%	9.9%	0.0%	0.0%	0.0%	5.5%	5.4%	5.4%
% incr Service charges - refuse revenue	18(1)a			23.0%	6.9%	12.4%	(6.6%)	0.0%	0.0%	0.0%	5.5%	5.5%	5.5%
% incr in Service charges - other	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		1,615,187	1,941,645	2,233,102	2,556,770	2,603,323	2,603,323	2,603,322	2,603,322	2,811,943	3,060,594	3,307,769
Service charges			1,599,616	1,924,332	2,215,158	2,537,236	2,579,373	2,579,373	2,579,373	2,579,373	2,791,688	3,037,705	3,281,982
Property rates			440,315	474,615	536,555	610,214	623,903	623,903	623,903	623,903	644,671	702,973	742,242
Service charges - electricity revenue			816,173	1,011,459	1,212,660	1,416,917	1,417,115	1,417,115	1,417,115	1,417,115	1,558,827	1,714,709	1,886,180
Service charges - water revenue			213,633	270,107	288,345	317,354	339,545	339,545	339,545	339,545	378,445	398,902	420,454
Service charges - sanitation revenue			76,207	102,592	107,507	114,000	125,263	125,263	125,263	125,263	132,153	139,281	146,795
Service charges - refuse removal			53,287	65,559	70,091	78,752	73,547	73,547	73,547	73,547	77,592	81,841	86,311
Service charges - other			-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			15,571	17,313	17,944	19,534	23,949	23,949	23,948	23,948	20,255	22,889	25,787
Capital expenditure excluding capital grant funding			97,626	26,495	74,889	-	93,037	93,037	93,037	93,037	59,999	60,000	50,000
Cash receipts from ratepayers	18(1)a		1,969,438	2,356,073	2,799,143	2,360,144	3,001,215	3,001,215	3,001,215	3,001,215	2,466,204	2,941,311	3,124,741
Ratepayer & Other revenue	18(1)a		2,213,850	2,502,618	2,806,204	2,610,486	2,697,307	2,697,307	2,697,306	2,697,306	2,865,476	3,115,581	3,362,605
Change in consumer debtors (current and non-current)			78,268	(44,281)	467,643	244,275	244,275	244,275	244,275	244,275	366,301	(167,955)	(111,808)
Operating and Capital Grant Revenue	18(1)a		355,033	385,630	500,669	365,204	422,369	422,369	422,369	422,369	767,006	606,338	625,370
Capital expenditure - total	20(1)(vi)		176,033	111,149	223,563	230,014	309,756	309,756	309,756	309,756	443,158	264,271	252,390
Capital expenditure - renewal	20(1)(vi)		95,810	88,822	-	119,912	174,103	174,103	174,103	174,103	268,858	187,929	190,400
Supporting benchmarks													
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY													
DoRA capital grants total MFY													
Provincial operating grants													



KZN225 Msunduzi Supporting Table SA10 Funding measurement										
Description	MFMA section	Ref	Current Year 2012/13				2011/12	2010/11	2009/10	2013/14 Medium Term Revenue & Expenditure Framework
			Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome				
Provincial capital grants										
District Municipality grants										
Total gazetted/advised national, provincial and district grants										
Average annual collection rate (arrears inclusive)										
DoRA operating										
List operating grants										
DoRA capital										
List capital grants										
Trend										
Change in consumer debtors (current and non-current)			78,268	(44,281)	467,643	244,275	366,301	(167,955)	(111,808)	-
Total Operating Revenue			2,575,640	2,902,000	3,332,779	2,987,790	3,138,032	3,138,032	3,291,485	3,814,105
Total Operating Expenditure			2,806,890	2,807,186	3,093,048	2,982,646	3,129,239	3,129,239	3,224,899	3,764,103
Operating Performance Surplus/ (Deficit)			(231,250)	94,814	239,731	5,144	8,793	8,792	66,585	50,001
Cash and Cash Equivalents (30 June 2012)									925,899	
Revenue				12.7%	14.8%	(10.4%)	5.0%	0.0%	4.9%	7.6%
% Increase in Total Operating Revenue										
% Increase in Property Rates Revenue				6.7%	12.7%	14.1%	0.0%	0.0%	5.4%	5.6%
% Increase in Electricity Revenue				23.9%	19.9%	16.8%	0.0%	0.0%	10.0%	10.0%
% Increase in Property Rates & Services Charges				20.3%	15.1%	14.5%	1.7%	0.0%	8.2%	8.0%
Expenditure				0.0%	10.2%	(3.6%)	4.9%	0.0%	3.1%	8.1%
% Increase in Total Operating Expenditure										
% Increase in Employee Costs				1.2%	5.1%	7.1%	2.6%	0.0%	6.5%	5.2%
% Increase in Electricity Bulk Purchases				28.3%	26.1%	16.8%	31.0%	0.0%	(20.1%)	7.0%
Average Cost Per Budgeted Employee Position (Remuneration)					211558.5043	249271.5982			272439.3092	



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KZN225 Msunduzi Supporting Table SA10 Funding measurement														
Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework					
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16		
Average Cost Per Councillor (Remuneration)			1.9%	1.0%	0.6%	1.3%	1.3%	1.3%	498890.4247					
R&M % of PPE			3.0%	2.0%	1.0%	3.0%	4.0%	4.0%	1.5%	1.5%			2.0%	
Asset Renewal and R&M as a % of PPE			15.5%	4.9%	2.6%	9.8%	9.6%	9.6%	5.0%	4.0%			5.0%	
Debt Impairment % of Total Billable Revenue									4.9%	4.3%			3.8%	
Capital Revenue														
Internally Funded & Other (R'000)			-	-	74,889	-	45,962	45,962	60,000	60,000			50,000	
Borrowing (R'000)			97,626	26,495	-	-	47,075	47,075	-	-			-	
Grant Funding and Other (R'000)			78,407	84,654	148,674	230,014	216,719	216,719	383,158	204,271			202,390	
Internally Generated funds % of Non Grant Funding			0.0%	0.0%	100.0%	0.0%	49.4%	49.4%	100.0%	100.0%			100.0%	
Borrowing % of Non Grant Funding			100.0%	100.0%	0.0%	0.0%	50.6%	50.6%	0.0%	0.0%			0.0%	
Grant Funding % of Total Funding			44.5%	76.2%	66.5%	100.0%	70.0%	70.0%	86.5%	77.3%			80.2%	
Capital Expenditure														
Total Capital Programme (R'000)			176,033	111,149	223,563	230,014	309,756	309,756	443,158	264,271			252,390	
Asset Renewal			95,810	88,822	-	119,912	174,103	174,103	268,858	187,929			190,400	
Asset Renewal % of Total Capital Expenditure			54.4%	79.9%	0.0%	52.1%	56.2%	56.2%	60.7%	71.1%			75.4%	
Cash														
Cash Receipts % of Rate Payer & Other			89.0%	94.1%	99.7%	90.4%	111.3%	111.3%	86.1%	94.4%			92.9%	
Cash Coverage Ratio			0	0	0	0	0	0	0	0			0	
Borrowing														
Credit Rating (2009/10)														
Capital Charges to Operating			4.0%	2.5%	2.3%	3.3%	2.9%	2.9%	0	2.9%			2.6%	
Borrowing Receipts % of Capital Expenditure			231.6%	(214.7%)	83.6%	0.0%	0.0%	0.0%	3.4%	0.0%			0.0%	
Reserves														
Surplus/(Deficit)			(709,402)	(347,927)	8,869	424,033	1,364,892	717,583	784,745	808,878			1,774,353	
Free Services														
Free Basic Services as a % of Equitable Share			19.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			0.0%	
"Free Services as a % of Operating Revenue (excl operational transfers)"			3.2%	10.6%	0.0%	12.9%	12.5%	12.5%	12.5%	12.4%			12.4%	

2013/14 to 2015/16



KZN225 Msunduzi Supporting Table SA10 Funding measurement													
Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
High Level Outcome of Funding Compliance													
Total Operating Revenue			2,575,640	2,902,000	3,332,779	2,987,790	3,138,032	3,138,032	3,138,031	3,291,485	3,545,103	3,814,105	
Total Operating Expenditure			2,806,890	2,807,186	3,093,048	2,982,646	3,129,239	3,129,239	3,129,240	3,224,899	3,480,545	3,764,103	
Surplus/(Deficit) Budgeted Operating Statement			(231,250)	94,814	239,731	5,144	8,793	8,792	8,792	66,585	64,557	50,001	
Surplus/(Deficit) Considering Reserves and Cash Backing			(940,651)	(253,114)	248,601	429,177	1,373,685	726,375	1,373,685	851,330	873,436	1,824,354	
MTREF Funded (1) / Unfunded (0)		15	0	0	1	1	1	1	1	1	1	1	
MTREF Funded ✓ / Unfunded x		15	x	x	✓	✓	✓	✓	✓	✓	✓	✓	

References

15. Subject to figures provided in Schedule.

2.4. Expenditure on grants and reconciliations of unspent funds

Table 29 MBRR SA19 - Expenditure on transfers and grant programmes

KZN225 Msunduzi - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		202,978	267,375	310,326	342,704	342,704	342,704	362,139	380,211	400,117
Local Government Equitable Share		199,824	267,211	304,835	338,903	338,903	338,903	354,313	373,677	393,300
Finance Management		750	165	1,979	1,500	1,500	1,500	1,550	1,600	1,650
Municipal Systems Improvement				978	800	800	800	890	934	967
EPWP Incentive					1,501	1,501	1,501	1,874		
Electricity Demand Side Management		2,404		2,534						
Water Services Operating Subsidy										
Other transfers/grants (insert description)										
Provincial Government:				4,074	22,500	22,500	22,500	21,709	21,856	22,863
Health subsidy					2,537	2,537	2,537			
Provincial Government:				1,207						
Operating Grant - Property Rates					10,963	10,963	10,963			
Public Works				2,868				21,709	21,856	22,863
Arts and Culture										
Human Settlements					9,000	9,000	9,000			
District Municipality:										
(insert description)										
Other grant providers:										
(insert description)										
Total operating expenditure of Transfers and Grants:		202,978	267,375	314,400	365,204	365,204	365,204	383,848	402,067	422,980
Capital expenditure of Transfers and Grants										
National Government:					208,599	160,485	160,485	383,158	204,271	202,390
Municipal Infrastructure Grant (MIG)					153,399	150,170	150,170	151,312	159,271	170,390
Public Transport and Systems					45,000			100,846		
Neighbourhood Development Partnership					700	70	70		10,000	10,000
Rural Households Infrastructure					4,500					
Dept of Mineral/Electricity						5,000	5,000	8,000	5,000	10,000

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KZN225 Msunduzi - Supporting Table SA 19 Expenditure on transfers and grant programme											
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand						5,000	5,000	5,000	123,000	30,000	12,000
Integrated National Electrification Programme							245	245			
Other capital transfers/grants (Insert description)			-	-	-	21,415	56,234	56,234	-	-	-
Provincial Government:											
Airport Development Project						19,315	16,760	16,760			
Sport and Recreation						2,100	2,100	2,100			
Corridor Development							37,289	37,289			
KZNPA							85	85			
District Municipality:			-	-	-	-	-	-	-	-	-
(Insert description)											
Other grant providers:			-	-	-	-	135	135	-	-	-
Carnegie							135	135			
Total capital expenditure of Transfers and Grants			-	-	-	230,014	216,854	216,854	383,158	204,271	202,390
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			202,978	267,375	314,400	595,218	582,058	582,058	767,006	606,338	625,370



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Table 30 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

KZN225 Msunduzi - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		66,011			342,704	342,704	342,704	362,139	380,211	400,117
Current year receipts		203,378	267,375							
Conditions met - transferred to revenue		266,861	267,375	-	342,704	342,704	342,704	362,139	380,211	400,117
Conditions still to be met - transferred to liabilities		2,528								
Provincial Government:										
Balance unspent at beginning of the year		4,647			22,500	22,500	22,500	21,709	21,856	22,863
Current year receipts		10,548	33,467							
Conditions met - transferred to revenue		15,195	33,467	-	22,500	22,500	22,500	21,709	21,856	22,863
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue										
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		3,483								
Current year receipts										
Conditions met - transferred to revenue										
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		282,056	300,842	-	365,204	365,204	365,204	383,848	402,067	422,980
Total operating transfers and grants - CTBM	2	6,011	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		5,606			208,599	160,485	160,485	383,158	204,271	202,390
Current year receipts		78,141	84,654	123,053						
Conditions met - transferred to revenue		78,408	84,654	123,053	208,599	160,485	160,485	383,158	204,271	202,390
Conditions still to be met - transferred to liabilities		5,339								
Provincial Government:										
Balance unspent at beginning of the year				25,621	21,415	56,234	56,234			
Current year receipts										
Conditions met - transferred to revenue				25,621	21,415	56,234	56,234	-	-	-

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds														
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework						
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16				
R thousand														
Conditions still to be met - transferred to liabilities														
District Municipality:														
Balance unspent at beginning of the year														
Current year receipts						-								
		-	-	-	-	-								
Conditions met - transferred to revenue														
Conditions still to be met - transferred to liabilities														
Other grant providers:														
Balance unspent at beginning of the year														
Current year receipts														
		-	-	-	-	-								
Conditions met - transferred to revenue														
Conditions still to be met - transferred to liabilities														
Total capital transfers and grants revenue		78,408	84,654	148,674	230,014	216,719	216,719	216,719	383,158	204,271	202,390			
Total capital transfers and grants - CTBM	2	5,339	-	-	-	-	-	-	-	-	-			
TOTAL TRANSFERS AND GRANTS REVENUE		360,464	385,496	148,674	595,218	581,923	581,923	581,923	767,006	606,338	625,370			
TOTAL TRANSFERS AND GRANTS - CTBM		11,351	-	-	-	-	-	-	-	-	-			

2.5. Councillor and employee benefits

Table 31 MBRR SA22 - Summary of councillor and staff benefits

KZN225 Msunduzi - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		13,843	12,621	12,207	24,677	24,677	24,677	26,433	27,887	29,420
Pension and UIF Contributions		1,621	2,538	1,645	2,597	2,597	2,597	2,782	2,935	3,096
Medical Aid Contributions		519	411	333	325	325	325	349	368	388
Motor Vehicle Allowance		2,152	4,570	3,055	5,338	5,338	5,338	5,718	6,032	6,364
Cellphone Allowance		382	428	788	947	947	947	1,015	1,071	1,130
Housing Allowances				124	115	115	115	123	130	137
Other benefits and allowances										
Sub Total - Councillors	4	18,517	20,569	18,152	34,000	34,000	34,000	36,419	38,422	40,535
% increase			11.1%	(11.7%)	87.3%	-	-	7.1%	5.5%	5.5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		5,173	4,651	495	832	17,037	17,869	18,813	20,000	21,034
Pension and UIF Contributions			402	92	151	2,037	2,037	2,145	2,280	2,398
Medical Aid Contributions			49	17		794	794	836	889	935
Overtime		705	511					-	-	-
Performance Bonus				42				-	-	-
Motor Vehicle Allowance				151	180	4,088	4,088	4,304	4,576	4,812
Cellphone Allowance	3	438	-		18	255	273	287	306	321
Housing Allowances	3					80	80	84	90	94
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
Sub Total - Senior Managers of Municipality	6	6,316	5,613	798	1,181	24,291	25,141	26,470	28,140	29,594
% increase	4		(11.1%)	(85.8%)	48.0%	1,956.2%	3.5%	5.3%	6.3%	5.2%
Other Municipal Staff										
Basic Salaries and Wages		352,380	427,608	418,916	519,526	(30,109)	489,417	520,122	542,806	577,695
Pension and UIF Contributions		64,457	80,872	85,741	91,114	7,914	99,028	141,579	150,786	160,618

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Table 32 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

KZN225 Msunduzi - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)							
Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	"Contributions" 1.	Allowances	Performance Bonuses	In-kind benefits
Rand per annum							Total Package 2.
Councillors	3						
Speaker	4		660,325	57,467	136,716		854,508
Chief Whip			626,959	94,044	80,111		801,114
Executive Mayor			928,824	19,324			948,148
Deputy Executive Mayor			624,168	93,626	136,716		854,510
Executive Committee			3,995,304	500,364	1,112,125		5,607,793
Total for all other councillors			15,554,076	4,092,276	4,733,688		24,380,040
Total Councillors	8	-	22,389,656	4,857,101	6,199,357		33,446,114
Senior Managers of the Municipality	5						
Municipal Manager (MM)			873,529	113,559	360,924		1,348,012
Chief Finance Officer			781,478	76,194	188,436		1,046,108
Infra Structure			732,573	156,750	156,781		1,046,103
Economic Dev					1,046,112		1,046,112
Corporate (Acting Allowance to be confirmed)					1,046,112		1,046,112
List of each official with packages >= senior manager							
Total Senior Managers of the Municipality	8,10	-	2,387,580	346,502	2,798,365	-	5,532,448
A Heading for Each Entity	6,7						
List each member of board by designation							
Total for municipal entities	8,10	-	-	-	-	-	-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	24,777,236	5,203,604	8,997,722	-	38,978,561

2013/14 to 2015/16



Table 33 MBRR SA24 – Summary of personnel numbers

KZN225 Msunduzi - Supporting Table SA24 Summary of personnel numbers										
Summary of Personnel Numbers		Ref	2011/12		Permanent employees	Contract employees	Current Year 2012/13		Budget Year 2013/14	
Number			Positions				Positions	Permanent employees	Contract employees	Positions
1,2										
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		4	73		73		73	73		73
Board Members of municipal entities		5								
Municipal employees										
Municipal Manager and Senior Managers		3	6	1	4	5	30	5	5	5
Other Managers		7	114	114		80		80	80	
Professionals			3,030	3,030	-	2,777	2,584	2,777	2,777	-
Finance			170	170		152	199	152	152	
Spatial/town planning						14	13	14	14	
Information Technology			11	11		9	6	9	9	
Roads			285	285		126	67	126	126	
Electricity			276	276		234	226	234	234	
Water			173	173		23	169	23	23	
Sanitation			93	93		75	68	75	75	
Refuse			330	330		376	369	376	376	
Other			1,692	1,692		1,768	1,467	1,768	1,768	
Technicians			-	-	-	-	-	-	-	-
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)										
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS		9	3,223	3,218	4	2,935	2,687	2,935	2,935	-



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KZN225 Msunduzi - Supporting Table SA24 Summary of personnel numbers													
Summary of Personnel Numbers			Ref	2011/12				Current Year 2012/13				Budget Year 2013/14	
			1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	
Number			1,2										
% increase							(8.9%)	(16.5%)	(100.0%)	-	9.2%	-	
Total municipal employees headcount			6, 10										
Finance personnel headcount			8, 10										
Human Resources personnel headcount			8, 10										

2013/14 to 2015/16



Table 34 MBRR SA25 - Budgeted monthly revenue and expenditure

KZN25 Msunduzi - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2013/14										Medium Term Revenue and Expenditure Framework				
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Revenue By Source																
Property rates		60,731	66,804	30,365	33,206	35,072	30,365	30,365	30,365	30,365	30,365	30,365	198,938	607,308	664,116	701,442
Property rates - penalties & collection charges		3,736	4,110	1,868	1,943	2,040	1,868	1,868	1,868	1,868	1,868	1,868	12,457	37,363	38,857	40,800
Service charges - electricity revenue		155,883	171,471	77,941	85,735	94,309	77,941	77,941	77,941	77,941	77,941	77,941	505,839	1,558,827	1,714,709	1,886,180
Service charges - water revenue		37,844	41,629	18,922	19,945	21,023	18,922	18,922	18,922	18,922	18,922	18,922	125,548	378,445	398,902	420,454
Service charges - sanitation revenue		13,215	14,537	6,608	6,964	7,340	6,608	6,608	6,608	6,608	6,608	6,608	43,843	132,153	139,281	146,795
Service charges - refuse revenue		7,759	8,535	3,880	4,092	4,316	3,880	3,880	3,880	3,880	3,880	3,880	25,733	77,592	81,841	86,311
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent of facilities and equipment		2,026	2,228	1,013	1,144	1,289	1,013	1,013	1,013	1,013	1,013	1,013	6,478	20,255	22,889	25,787
Interest earned - external investments		2,703	2,973	1,351	1,373	1,426	1,351	1,351	1,351	1,351	1,351	1,351	9,094	27,029	27,454	28,519
Interest earned - outstanding debtors		125	138	63	65	66	63	63	63	63	63	63	422	1,255	1,292	1,318
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		363	400	182	192	202	182	182	182	182	182	182	1,205	3,634	3,830	4,037
Licences and permits		5	5	2	3	3	2	2	2	2	2	2	16	48	50	53
Agency services		59	64	29	30	30	29	29	29	29	29	29	198	586	592	603
Transfers recognised - operational		38,385	42,223	19,192	20,103	21,149	19,192	19,192	19,192	19,192	19,192	19,192	127,641	383,848	402,067	422,980
Other revenue		4,801	5,281	2,401	2,461	2,441	2,401	2,401	2,401	2,401	2,401	2,401	16,223	48,011	49,222	48,825
Gains on disposal of PPE		1,513											13,618	15,131	-	-
Total Revenue (excluding capital transfers and contributions)		329,148	360,399	163,818	177,255	190,705	163,818	163,818	163,818	163,818	163,818	163,818	1,087,253	3,291,485	3,545,102	3,814,105
Expenditure By Type																
Employee related costs		59,562	54,497	54,497	108,994	54,497	54,497	54,497	54,497	54,497	54,497	54,497	120,692	779,721	819,440	861,792
Remuneration of councillors		3,035	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	5,051	36,419	38,422	40,535
Debt impairment		6,875	11,001	12,376	13,751	15,126	6,875	11,001	13,751	13,751	19,251	6,875	6,875	137,510	130,634	124,103
Depreciation & asset impairment		11,111	17,777	19,999	22,221	24,443	11,111	17,777	22,221	22,221	31,110	11,111	11,111	222,212	256,533	282,183
Finance charges		3,230	5,168	5,814	6,460	7,106	3,230	5,168	6,460	6,460	9,044	3,230	3,230	64,600	59,255	54,480
Bulk purchases		74,695	119,511	134,450	149,389	164,328	74,695	119,511	149,389	149,389	209,145	74,695	74,695	1,493,890	1,650,634	1,770,060
Other materials		1,193	1,909	2,148	2,386	2,625	1,193	1,909	2,386	2,386	3,341	1,193	1,193	23,861	25,220	25,658
Contracted services		2,859	4,574	5,146	5,718	6,289	2,859	4,574	5,718	5,718	8,005	2,859	2,859	57,176	59,886	61,919
Transfers and grants		251	402	452	503	553	251	402	503	503	704	251	251	5,027	5,274	5,563
Other expenditure		20,224	32,359	36,403	40,448	44,493	20,224	32,359	40,448	40,448	56,628	20,224	20,224	404,483	435,248	537,811
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		183,035	250,031	274,119	352,703	322,294	177,768	250,031	298,206	298,206	394,557	177,768	246,181	3,224,899	3,480,545	3,764,103
Surplus/(Deficit)		146,114	110,368	(110,301)	(175,448)	(131,589)	(13,951)	(86,213)	(134,389)	(134,389)	(230,739)	(13,951)	841,072	66,585	64,557	50,001
Transfers recognised - capital		-	15,360	-	2,000	9,800	3,726	-	26,755	12,346	-	145,392	167,779	383,158	204,271	202,390
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		146,114	125,728	(110,301)	(173,448)	(121,789)	(10,225)	(86,213)	(107,634)	(122,043)	(230,739)	131,441	1,008,852	449,743	268,828	252,391
Toxion		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	146,114	125,728	(110,301)	(173,448)	(121,789)	(10,225)	(86,213)	(107,634)	(122,043)	(230,739)	131,441	1,008,852	449,743	268,828	252,391

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Table 35 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

KZN225 Msunduzi - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)																
Description	Ref	Budget Year 2013/14										Medium Term Revenue and Expenditure Framework				
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Revenue by Vote																
Vote 1 - Corporate Services		2,411	2,170	2,652	2,893	3,617	2,411	2,411	723	1,447	1,929	93	1,354	24,112	24,459	23,050
Vote 2 - Financial Management Area		110,217	99,195	121,238	132,260	165,325	110,217	110,217	33,065	66,130	88,173	20,395	45,735	948,138	934,650	1,032,209
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		248,983	224,085	273,881	298,780	373,475	248,983	248,983	74,695	149,390	199,186	77,204	72,186	2,260,701	2,526,618	2,702,891
Vote 4 - Sustainable Community Service Delivery Provision Management		5,853	5,268	6,439	7,024	8,780	5,853	5,853	1,756	3,512	4,683	1,534	1,978	58,533	59,375	55,955
Total Revenue by Vote		367,464	330,718	404,211	440,957	551,196	367,464	367,464	110,239	220,479	293,971	99,224	121,255	3,291,485	3,545,102	3,814,105
Expenditure by Vote to be appropriated																
Vote 1 - Corporate Services		28,554	25,699	31,410	34,265	42,832	28,554	28,554	8,566	17,133	22,844	7,387	9,746	285,544	312,317	340,422
Vote 2 - Financial Management Area		25,001	22,501	27,501	30,001	37,501	25,001	25,001	7,500	15,001	20,001	6,610	8,391	244,421	120,177	271,645
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		227,340	204,606	250,074	272,808	341,010	227,340	227,340	68,202	136,404	181,872	70,309	66,095	2,284,628	2,598,914	2,541,700
Vote 4 - Sustainable Community Service Delivery Provision Management		41,595	37,435	45,754	49,914	62,392	41,595	41,595	12,478	24,957	33,276	13,391	11,566	410,306	449,137	610,337
Total Expenditure by Vote		322,490	290,241	354,739	386,988	483,735	322,490	322,490	96,747	193,494	257,992	97,696	95,798	3,224,899	3,480,545	3,764,103
Surplus/(Deficit) before assoc.		44,974	40,477	49,472	53,969	67,462	44,974	44,974	13,492	26,985	35,979	1,529	25,456	66,586	64,557	50,001
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	44,974	40,477	49,472	53,969	67,462	44,974	44,974	13,492	26,985	35,979	1,529	25,456	66,586	64,557	50,001

KZN225 Msunduzi - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (standard classification)

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KZN25 Msunduzi - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (standard classification)															
Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework	
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15
R thousand															
Environmental protection		189,757	170,781	208,732	227,708	284,635	189,757	189,757	56,927	113,854	151,805	62,072	51,783	2,180,746	2,344,110
Trading services		118,837	106,954	130,721	142,605	178,256	118,837	118,837	35,651	71,302	95,070	44,056	27,247	1,482,680	1,587,127
Electricity		57,349	51,614	63,084	68,819	86,023	57,349	57,349	17,205	34,409	45,879	12,730	21,680	573,488	525,292
Water		3,468	3,121	3,815	4,162	5,202	3,468	3,468	1,040	2,081	2,775	3,048	(967)	23,555	127,056
Waste water management		10,102	9,092	11,113	12,123	15,154	10,102	10,102	3,031	6,061	8,082	2,239	3,823	101,024	104,635
Waste management		7,384	6,646	8,122	8,861	11,076	7,384	7,384	2,215	4,430	5,907	1,337	3,093	73,840	32,531
Other															
Total Expenditure - Standard		322,490	290,241	354,739	386,988	483,735	322,490	322,490	96,747	193,494	257,992	97,701	95,793	3,224,899	3,480,545
Surplus/(Deficit) before assoc.		44,974	40,477	49,472	53,969	67,462	44,974	44,974	13,492	26,985	35,979	1,489	25,496	66,586	64,557
Share of surplus/ (deficit) of associate															
Surplus/(Deficit)	1	44,974	40,477	49,472	53,969	67,462	44,974	44,974	13,492	26,985	35,979	1,489	25,496	66,586	64,557
															50,001

KZN225 Msunduzi - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)																
Description	Ref	Budget Year 2013/14										Medium Term Revenue and Expenditure Framework				
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Corporate Services		100	125	225	275	325	250	125	225	325	275	175	75	2,500	5,000	2,800
Vote 2 - Financial Management Area		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		20,123	25,154	45,278	55,340	25,401	10,309	25,154	45,278	65,401	25,340	35,216	1,552	379,546	201,532	137,067
Vote 4 - Sustainable Community Service Delivery Provision Management													-	-	-	-
Capital multi-year expenditure sub-total	2	20,223	25,279	45,503	55,615	25,762	10,559	25,279	45,503	65,726	25,615	35,391	1,627	382,046	206,532	139,867
Single-year expenditure to be appropriated																
Vote 1 - Corporate Services		124	155	279	341	403	310	155	279	403	341	217	93	3,100	-	-
Vote 2 - Financial Management Area		100	350	630	770	910	700	350	630	910	770	490	390	7,000	12,000	13,000
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		100	2,135	3,843	4,697	5,551	4,270	2,135	3,843	5,551	4,697	2,989	2,889	42,702	42,939	98,323
Vote 4 - Sustainable Community Service Delivery Provision Management		100	416	748	914	1,080	831	416	748	1,080	914	582	482	8,310	2,800	1,200
Capital single-year expenditure sub-total	2	424	3,056	5,500	6,722	7,945	6,111	3,056	5,500	7,945	6,722	4,278	3,854	61,112	57,739	112,523
Total Capital Expenditure	2	20,647	28,335	51,003	62,337	33,671	16,670	28,335	51,003	73,671	32,337	39,669	5,480	443,158	264,271	252,390

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Table 38 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

KZN225 Msunduzi - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (standard classification)																
Description	Ref	Budget Year 2013/14											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Capital Expenditure - Standard	1	1,390	1,738	3,128	3,824	4,519	3,476	1,738	3,128	4,519	3,824	2,433	(2,957)	30,760	27,000	25,840
Governance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council		1,390	1,738	3,128	3,824	4,519	3,476	1,738	3,128	4,519	3,824	2,433	(2,957)	30,760	27,000	25,840
Budget and treasury office																
Corporate services																
Community and public safety		180	225	405	495	585	450	225	405	585	495	315	135	4,500	2,800	1,200
Community and social services		112	140	252	308	364	280	140	252	364	308	196	84	2,800	2,800	1,200
Community and social services		68	85	153	187	221	170	85	153	221	187	119	51	1,700	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		8,301	8,301	13,282	16,603	-	332	24,904	-	33,205	33,205	17,269	8,574	163,976	64,120	28,400
Planning and development													2,700	2,700	-	-
Road transport		8,301	8,301	13,282	16,603	-	332	24,904	-	33,205	33,205	17,269	5,874	161,276	64,120	28,400
Environmental protection																
Trading services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity													241,112	241,112	170,351	196,950
Water													151,500	151,500	59,372	42,210
Waste water management													34,425	34,425	58,879	83,840
Waste management													47,097	47,097	44,600	63,400
Other		141	141	225	281	-	6	422	-	562	562	336	8,091	8,091	7,500	7,500
Total Capital Expenditure - Standard	2	10,012	10,405	17,040	21,202	5,104	4,264	27,288	3,533	38,871	38,086	20,353	247,000	443,158	264,271	252,390

KZN225 Msunduzi - Supporting Table SA30 Consolidated budgeted monthly cash flow

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KZN225 Msunduzi - Supporting Table SA30 Consolidated budgeted monthly cash flow														
MONTHLY CASH FLOWS		Budget Year 2013/14												Medium Term Revenue and Expenditure Framework
		July	August	Sept.	October	November	December	January	February	March	April	May	June	
R thousand														
Other Cash Flows/Payments by Type														
Capital assets			14,270	22,832	28,539	31,393	11,416	17,124	34,247	34,247	22,832	25,846	42,649	250,723
Repayment of borrowing			3,765	3,765	3,765	3,765	3,765	3,765	3,765	3,765	3,765	3,765	3,765	42,101
Other Cash Flows/Payments														
Total Cash Payments by Type		305,787	246,350	260,311	241,037	239,019	221,579	224,749	239,437	242,400	215,840	364,766	387,410	3,192,449
NET INCREASE/(DECREASE) IN CASH HELD		(31,711)	119,708	105,742	29,238	22,785	(48,117)	17,896	20,046	10,931	9,734	(86,724)	(97,974)	67,790
Cash/cash equivalents at the month/year begin:			(31,711)	87,997	193,739	222,977	245,762	197,645	215,541	235,588	246,519	256,253	169,529	71,554
Cash/cash equivalents at the month/year end:		(31,711)	87,997	193,739	222,977	245,762	197,645	215,541	235,588	246,519	256,253	169,529	71,554	139,344
														256,069
														462,977

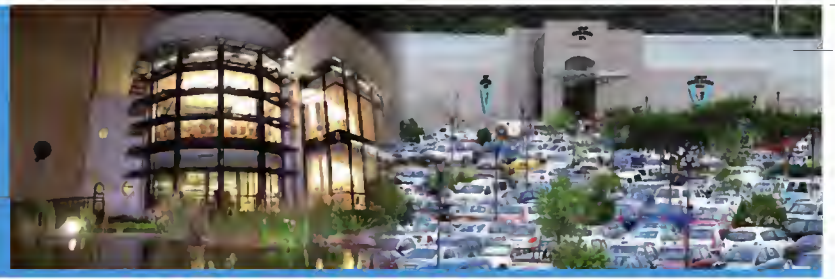
2.6. Capital expenditure details

The following three tables present details of the City's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 40 MBRR SA 34a - Capital expenditure on new assets by asset class

KZN225 Msunduzi - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		126,494	18,176	-	89,502	95,515	95,515	144,030	53,642	38,200
Infrastructure - Road transport		32,581	10,753	-	45,000	-	-	4,780	3,250	1,200
Roads, Pavements & Bridges		32,581	10,753	-	45,000	-	-	4,780	3,250	1,200
Storm water										
Infrastructure - Electricity		21,459	5,482	-	4,083	53,096	53,096	131,000	38,392	21,000
Generation										
Transmission & Reticulation		15,057	4,255	-	-	-	-	131,000	38,392	21,000
Street Lighting		6,402	1,227	-	4,083	4,083	4,083	131,000	38,392	21,000
Infrastructure - Water		16,850	886	-	25,419	27,419	27,419	6,250	10,000	10,000
Dams & Reservoirs			886	-						
Water purification				-						
Reticulation		16,850		-	25,419	27,419	27,419	6,250	10,000	10,000
Infrastructure - Sanitation				-						
Reticulation		-	1,055	-	-	-	-	2,000	2,000	6,000
Sewerage purification			1,055	-				2,000	2,000	6,000
Infrastructure - Other		55,604	-	-	15,000	15,000	15,000	-	-	-
Waste Management		53,158		-	15,000	15,000	15,000			
Transportation										
Gas										
Other		2,446		-						
Community		33,175	80	-	20,600	36,069	36,069	-	-	-

2013/14 to 2015/16





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KZN225 Msunduzi - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Parks & gardens	7	943								
Sportsfields & stadia					2,950	2,950	2,950			
Swimming pools		4,395			-	220	220			
Community halls		975			-	2,000	2,000			
Libraries	8									
Recreational facilities					-	1,212	1,212			
Fire, safety & emergency		17,892								
Security and policing		211								
Buses	9									
Clinics		794								
Museums & Art Galleries		596	80		13,500	13,570	13,570			
Cemeteries		2,520								
Social rental housing	10									
Other		4,849			4,150	16,117	16,117			
Heritage assets		5,711			-	-	-			
Buildings	9	5,711								
Other										
Investment properties		-			-	-	-			
Housing development	10									
Other										
Other assets		10,654	4,070		-	4,069	4,069	30,270	22,700	23,790
General vehicles	10									
Specialised vehicles						3,369	-	3,369	10,000	10,040
Plant & equipment		1,873				-	-	-	-	-
Computers - hardware/equipment		5,116	11			-	645	645	12,000	750
Furniture and other office equipment			235		-	55	55	11,000	12,000	13,000
Abattoirs										

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Markets		1,008								
Civic Land and Buildings		2,418	3,825					2,000		
Other Buildings								200		
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		239						2,810		
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Capital Expenditure on new assets	1	176,033	22,327	-	110,102	135,653	135,653	174,300	76,342	61,990
Specialised vehicles										
Refuse		-	-	-	-	-	-	-	-	-
Fire										
Conservancy										
Ambulances										

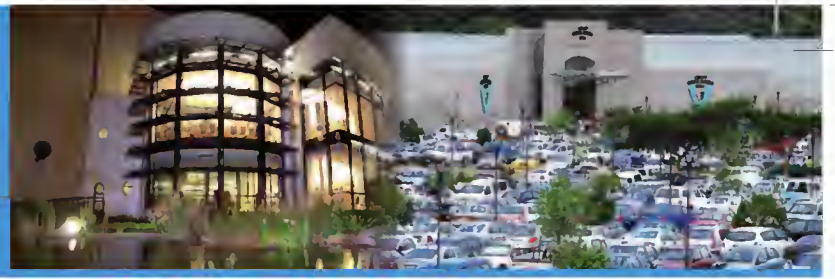


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Table 41 MBRR SA34b - Capital expenditure on existing assets by asset class

KZN225 Msunduzi - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		95,810	73,619	-	84,751	142,902	142,902	249,808	175,829	186,400
Infrastructure - Road transport		25,990	35,629	-	33,748	57,315	57,315	138,495	60,870	27,200
Roads, Pavements & Bridges		22,300	35,629		33,748	57,315	57,315	138,495	60,870	27,200
Storm water		3,690								
Infrastructure - Electricity		4,900	11,109	-	5,000	39,584	39,584	30,500	16,380	21,210
Generation					5,000	39,584	39,584	30,500	16,380	21,210
Transmission & Reticulation		4,900	11,109							
Street Lighting		-								
Infrastructure - Water		27,507	11,974	-	17,750	17,750	17,750	27,925	48,879	73,490
Dams & Reservoirs								10,500	15,300	9,000
Water purification										
Reticulation		27,507	11,974		17,750	17,750	17,750	17,425	33,579	64,490
Infrastructure - Sanitation		37,413	14,436	-	26,200	26,200	26,200	44,797	42,200	57,000
Reticulation		37,413	14,436		26,200	26,200	26,200	44,797	42,200	57,000
Sewerage purification										
Infrastructure - Other		-	471	-	2,053	2,053	2,053	8,091	7,500	7,500
Waste Management		-	471		2,053	2,053	2,053	8,091	7,500	7,500
Transportation										
Gas										
Other										
Community		-	420	-	10,300	8,300	8,300	4,500	2,800	1,200
Parks & gardens					700	700	700			
Sportsfields & stadia			65		7,100	5,100	5,100	1,700		
Swimming pools										
Community halls					2,500	2,500	2,500			
Libraries			205							

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Recreational facilities	7									
Fire, safety & emergency										
Security and policing										
Buses	8		150					2,800	2,800	1,200
Clinics										
Museums & Art Galleries										
Cemeteries	9									
Social rental housing										
Other										
Heritage assets	10									
Buildings										
Other										
Investment properties	10									
Housing development										
Other										
Other assets	10		14,782	-	24,861	22,901	22,901	14,550	9,300	2,800
General vehicles										
Specialised vehicles										
Plant & equipment	10		317					2,500	5,000	2,800
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs	10									
Markets										
Civic Land and Buildings										
Other Buildings	10							8,050		
Other Land								4,000	4,300	
Surplus Assets - (Investment or Inventory)										



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class												
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
Other				11,184		4,500	4,500	4,500				
Agricultural assets			-	-	-	-	-	-	-	-	-	-
List sub-class												
Biological assets			-	-	-	-	-	-	-	-	-	-
List sub-class												
Intangibles			-	-	-	-	-	-	-	-	-	-
Computers - software & programming												
Other (list sub-class)												
Total Capital Expenditure on renewal of existing assets		1	95,810	88,822	-	119,912	174,103	174,103	268,858	187,929	190,400	
Specialised vehicles												
Refuse			-	-	-	-	-	-	-	-	-	-
Fire												
Conservancy												
Ambulances												
Renewal of Existing Assets as % of total capex			35.2%	79.9%	0.0%	52.1%	56.2%	56.2%	60.7%	71.1%	75.4%	
Renewal of Existing Assets as % of deprecn"			77.2%	35.0%	0.0%	75.9%	110.2%	110.2%	121.0%	73.3%	67.5%	

2013/14 to 2015/16

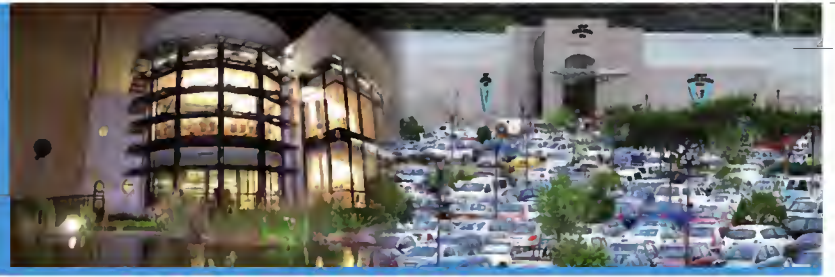


Table 42 MBRR SA34c - Repairs and maintenance expenditure by asset class

KZN225 Msunduzi - Supporting Table SA34c Consolidated repairs and maintenance by asset class										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Repairs and maintenance expenditure by Asset Class/ Sub-class		75,807	42,549	25,196	31,185	32,719	32,719	57,165	61,144	64,090
		32,919	1,596	3,392	5,361	5,361	5,361	7,094	7,548	7,729
		23,230	1,596	3,392	5,361	5,361	5,361	7,094	7,548	7,729
		9,689								
		23,195	31,949	13,726	24,992	26,526	26,526	48,014	51,432	54,071
		22,629	28,794	13,726	24,927	26,446	26,446	47,899	51,295	53,908
		566	3,156		66	80	80	115	137	163
		19,258	345	1,216	746	746	746	1,554	1,632	1,728
		19,258	345	1,216	746	746	746	1,554	1,632	1,728
		-	8,254	-	-	-	-	502	531	561
			8,254	-				502	531	561
		435	405	6,862	86	86	86	-	-	-
		53	377	3,627	86	86	86			
				-						
				-						
		382	28	3,235				-	-	-
		1,974	3,218	9,015	2,074	2,486	2,486	-	-	-
	Community									
Parks & gardens		293				340	340	-	-	-
Sportsfields & stadia		193	1,313	2,661	616	681	681			
Swimming pools		21								
Community halls		197								
Libraries		485	693	713	532	604	604	-	-	-



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KZN225 Msunduzi - Supporting Table SA34c Consolidated repairs and maintenance by asset class											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
Recreational facilities Fire, safety & emergency Security and policing Buses Clinics Museums & Art Galleries Cemeteries Social rental housing Other	7	-									
		349	509	907	397	395	395				
		2			37	37	37				
		-									
		129	203	323	290	228	228	-	-	-	
		4	6	150	1	1	1	-	-	-	
		1	470	670	201	200	200	-	-	-	
		300	24	3,592				-	-	-	
		-	-	-	-	-	-	-	-	-	
		Heritage assets Buildings Other	9								
-	-			-	-	-	-	-	-	-	
Investment properties Housing development Other											
Other assets General vehicles Specialised vehicles Plant & equipment Computers - hardware/equipment Furniture and other office equipment Abattoirs Markets Civic Land and Buildings Other Buildings Other Land Surplus Assets - (Investment or Inventory)		40,413	19,881	5,298	55,926	54,083	54,083	37,792	38,123	66,317	
		8,786	9,512	320	13,842	15,296	15,296	11,618	11,689	19,817	
		4,349	-	-	-	-	-	-	-	-	-
		11,429		147	30,240	27,110	27,110	22,091	22,311	40,180	
			7,606		8,370	7,790	7,790				
		602									
		3,459		168	2,769	3,309	3,309	3,474	3,509	5,379	
									</		

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA34c Consolidated repairs and maintenance by asset class										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Other		11,789	2,763	4,663	705	579	579	608	614	941
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Repairs and Maintenance Expenditure	1	118,194	65,648	39,510	89,185	89,288	89,288	94,956	99,267	130,406
Specialised vehicles		4,349	-	-	-	-	-	-	-	-
Refuse										
Fire		4,349								
Conservancy										
Ambulances										
R&M as a % of PPE		1.9%	1.0%	0.6%	1.3%	1.3%	1.3%	1.5%	1.5%	2.0%
R&M as % Operating Expenditure		4.2%	2.3%	1.3%	3.0%	2.9%	2.9%	2.9%	2.9%	3.5%



MSUNDUZI ANNUAL BUDGET

Table 43 MBRR SA35 - Future financial implications of the capital budget

KZN225 Msunduzi - Supporting Table SA35 Consolidated future financial implications of the capital budget								
Vote Description	Ref	2013/14 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Corporate Services		5,600	5,000	2,800				
Vote 2 - Financial Management Area		7,000	12,000	13,000				
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		422,248	244,471	235,390				
Vote 4 - Sustainable Community Service Delivery Provision Management		8,310	2,800	1,200				
Vote 5 - (NAME OF VOTE 5)		-	-	-				
Vote 6 - (NAME OF VOTE 6)		-	-	-				
Vote 7 - (NAME OF VOTE 7)		-	-	-				
Vote 8 - (NAME OF VOTE 8)		-	-	-				
Vote 9 - (NAME OF VOTE 9)		-	-	-				
Vote 10 - (NAME OF VOTE 10)		-	-	-				
Vote 11 - (NAME OF VOTE 11)		-	-	-				
Vote 12 - (NAME OF VOTE 12)		-	-	-				
Vote 13 - (NAME OF VOTE 13)		-	-	-				
Vote 14 - (NAME OF VOTE 14)		-	-	-				
Vote 15 - (NAME OF VOTE 15)		-	-	-				
List entity summary if applicable								
Total Capital Expenditure		443,158	264,271	252,390	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Corporate Services								
Vote 2 - Financial Management Area								
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management								
Vote 4 - Sustainable Community Service Delivery Provision Management								
Vote 5 - (NAME OF VOTE 5)								
Vote 6 - (NAME OF VOTE 6)								
Vote 7 - (NAME OF VOTE 7)								
Vote 8 - (NAME OF VOTE 8)								
Vote 9 - (NAME OF VOTE 9)								
Vote 10 - (NAME OF VOTE 10)								
Vote 11 - (NAME OF VOTE 11)								
Vote 12 - (NAME OF VOTE 12)								
Vote 13 - (NAME OF VOTE 13)								
Vote 14 - (NAME OF VOTE 14)								
Vote 15 - (NAME OF VOTE 15)								
List entity summary if applicable								
Total future operational costs		-	-	-	-	-	-	-

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA35 Consolidated future financial implications of the capital budget								
Vote Description	Ref	2013/14 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Present value
R thousand								
<u>Future revenue by source</u>	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		443,158	264,271	252,390	-	-	-	-



MSUNDUZI ANNUAL BUDGET

Table 44 MBRR SA36 - Detailed capital budget per municipal vote

KZN225 Msunduzi - Supporting Table SA36 Consolidated detailed capital budget																		
Municipal Vote/Capital project		Ref 4	Program/Project description		Project number	"IDP Goal code 2"	"Individually Approved (Yes/No)" 6	"Asset Class" 3	"Asset Sub-Class" 3	"GPS co-ordinates" 5	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework		Project information		
R thousand												Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Ward location	New or renewal
Parent municipality: List all capital projects grouped by Municipal Vote																		
Infrastructure			FIRE ALARM SYSTEM PROFESSOR NYEMBEZI BUILDING											650	-	-		RENEWAL
Infrastructure			DEBRIS NET PROFESSOR NYEMBEZI BUILDING											500	-	-		NEW
Infrastructure			REPLACEMENT OF LIFTS PROFESSOR NYEMBEZI BUILDING											2,500	-	-		RENEWAL
Infrastructure			REPLACEMENT OF LIFTS PROFESSOR A S CHETTY BUILDING											2,500	-	-		RENEWAL
Gaod Governance			REPLACEMENT OF LIFT CITY HALL											1,000	-	-		RENEWAL
Gaod Governance			AIRCONDITIONING INSTALLATION CITY HALL LOUNGE & MEETING ROOM											750	-	-		NEW
Gaod Governance			UPGRADE OF FIRE DETECTION SYSTEM CITY HALL											400	-	-		RENEWAL
Gaod Governance			VISUAL CONFERENCE SYSTEM COMPLETION CITY HALL											350	-	-		NEW
Gaod Governance			CCTV INSTALLATION CITY HALL											400	-	-		NEW
Infrastructure			TELEMETRY / INSTRUMENTATION EQUIPMENT											300	400	400		NEW
Infrastructure			LEAK DETECTION EQUIPMENT											250	300	350		NEW
Infrastructure			EDENDALE PROPER NEW MAINS & RETICULATION			WS191								1,000	-	-		RENEWAL
Infrastructure			ROAD REHABILITATION - PMS											17,710	10,570	7,000		RENEWAL
Infrastructure			CONNOR - OTTO'S BLUFF ROADS - LINK											300	4,000	3,000		RENEWAL
Infrastructure			GRIMTHORPE ROAD BRIDGE (Design and EIA)											400	-	1,000		RENEWAL
Infrastructure			INSTALLATION OF TRAFFIC SIGNALS											1,000	150	600		NEW
Infrastructure			TRAFFIC CALMING MEASURES											1,000	1,500	500		NEW
Infrastructure			NEW TRAFFIC SIGNALS CONTROLLER											780	-	-		NEW
Infrastructure			TRAFFIC LIGHT SPARES EQUIPMENT & TOOLS											500	100	100		NEW
Infrastructure			REPLACEMENT OF VEHICLES, PLANT & EQUIPMENT											15,000	10,000	10,040		NEW
Infrastructure			NETWORK REFURBISHMENT											15,980	15,980	11,210		RENEWAL
Community			AIRPORT PROJECTS											2,810	-	-		NEW
Financial Management Services			FINANCIAL SYSTEM											7,000	12,000	13,000		NEW
Financial Management Services			PLANT AND EQUIPMENT											200	-	-		RENEWAL
Gaod Governance			BUILDINGS (HEROES ACRE DEVELOPMENT)											200	-	-		NEW
Gaod Governance			Recabling at LAN Infrastructure - ISO stds											2,500	5,000	2,800		RENEWAL
Infrastructure			CORRIDOR DEVELOPMENT											-	-	-		RENEWAL
Infrastructure			ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT											8,000	5,000	10,000		RENEWAL
Infrastructure			PUBLIC TRANSPORT INFRASTRUCTURE											100,846	-	-		RENEWAL
Infrastructure			ELECTRIFICATION											123,000	30,000	12,000		NEW
Infrastructure			LESTER BROWN LINK ROAD											4,000	4,000	-		RENEWAL
Infrastructure			BURGER ST EXTENSION (PH 1 - Services, fill earth-works, SW structure etc and Ph 2 - Road layer works, surfacing, KI & kerbs, Sign & markings etc)											9,000	10,000	-		RENEWAL
Infrastructure			REHABILITATION OF PUBLIC ABUTMENTS											1,500	1,500	1,500		RENEWAL
Community			UNIT 18 COMMUNITY HALL											1,000	-	-		RENEWAL
Community			CALUZA SPORTS HALL											1,500	-	-		RENEWAL
Infrastructure			MOUNTAIN RISE CREMATORIS											2,800	2,800	1,200		RENEWAL
Infrastructure			SANITATION INFRASTRUCTURE FEASIBILITY STUDY											2,000	2,000	6,000		NEW
Infrastructure			SHENSTONE AMBLETON SANITATION SYSTEM		WS 197									9,875	5,000	10,000		RENEWAL
Infrastructure			REHABILITATION OF SANITATION INFRASTRUCTURE		WS 202									10,000	12,000	15,000		RENEWAL
Infrastructure			SEWER PIPES UNIT H		WS 196									8,000	12,000	5,000		RENEWAL
Infrastructure			SEWER PIPES AZALEA - PHASE 2		WS 201									8,000	12,000	5,000		RENEWAL
Infrastructure			ELIMINATION OF CONSERVANCY TANKS - (SEWER)		WS 200									3,050	600	12,000		RENEWAL
Infrastructure			SERVICE MIDBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALI (SEWER)		WS 199									5,872	600	10,000		RENEWAL
Infrastructure			REDUCTION OF NON REVENUE WATER		WS 198									15,000	29,279	58,690		RENEWAL
Infrastructure			ELIMINATION OF CONSERVANCY TANKS - (WATER)		WS 199									125	-	300		RENEWAL

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA36 Consolidated detailed capital budget															
Municipal Vote/Capital project	Ref	Program/Project description	Project number	"IDP Goal code 2"	"Individually Approved (Yes/No)"	"Asset Class"	"Asset Sub-Class"	"GPS co-ordinates"	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework		Project Information	
										Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year 2015/16	Ward location
R 8 thousand	Infrastructure	SERVICE MIDBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALI (WATER)		WS 189								300	-	500	RENEWAL
	Infrastructure	BASIC WATER SUPPLY		WS 193								1,000	4,000	5,000	RENEWAL
	Infrastructure	MASONS RESERVOIR & PIPELINE		WS 187								500	15,000	3,000	RENEWAL
	Infrastructure	COPESVILLE RESERVOIR		WS 188								10,000	300	6,000	RENEWAL
	Infrastructure	LANDFILL UPGRADE		WM 240								8,091	7,500	7,500	RENEWAL
	Infrastructure	UPGRADE DESIGN OF GRAVEL ROADS - VULINDLELA - D 1128 (Phase 1, 2 and 3)		RNMP 253								4,500	5,000	6,000	RENEWAL
	Infrastructure	UPGRADE OF GRAVEL ROADS - WILLOWFOUNTAIN ROAD - Main Road, Pilpha Road, Premier's Road		RNMP 268								2,500	2,500	3,000	RENEWAL
	Infrastructure	UPGRADING OF GRAVEL ROADS - EDENDALE - MBANJWA RD - 2.0 km		RNMP 276								2,000	-	-	RENEWAL
	Infrastructure	UPGRADING OF GRAVEL/GRAVSEAL ROADS - EDENDALE - TAFULENI ROAD - 1.2 km		RNMP 237								2,500	-	-	RENEWAL
	Infrastructure	HORSE SHOE ACCESS RD AND PASSAGES IN IMBALI STAGE 1 & 2		RNMP 262								1,500	1,500	-	NEW
	Infrastructure	UPGRADING OF GRAVEL ROADS - EDENDALE - WARD 22 - 8.4km Ntshini Rd, Hadebe Rd, Dipini Rd, Thula Rd, Hlangwa Rd, Bhula Rd, Mthethamusha Rd, Mavimbela Rd, Thusi Rd, Budi Rd and Geris Road		RNMP 278								2,000	2,000	-	RENEWAL
	Infrastructure	UPGRADING OF GRAVEL RDS - EDN - WARD 12 - MOSCOW - 4.0 km - Zabazamuzi Rd, Mngama Rd, Zwane Rd - MOSCOW AREA RDS		REMP 266								2,500	3,000	-	RENEWAL
	Infrastructure	UPGRADING OF ROADS IN EDENDALE - KWANYAMAZANE ROADS		RNMP 284								2,500	3,000	-	RENEWAL
	Infrastructure	UPGRADING OF GRAVEL ROADS - EDENDALE - WARD 16 - 8.0km - Sentli Rd, Shomara Rd, Khawula Rd - Dambusa Area - Thulani Rd - Unit J		RNMP 270								1,000	-	-	RENEWAL
	Infrastructure	BACKLOG TO NEW RDS & S/W & UPGRADE OF EXISTING SUBSTANDARD LOW-COST HOUSING - HANIVILLE		RNMP 280								1,700	-	-	RENEWAL
	Infrastructure	UPGRADE GRAVEL ROADS IN EDENDALE: Hubi Rd, Nikasi Rd, Ntambela Rd, D. Shezi Rd, Ntshingila Rd and Mpungase Rd in Esigadini		RNMP 255								3,500	2,000	-	RENEWAL
	Infrastructure	UPGRADING OF GRAVEL ROADS - EDENDALE - STATION RD (next to Geogelawn High School) (Raise & Widen the bridge with associated roadworks)		RNMP 264								2,000	6,000	2,500	RENEWAL
	Infrastructure	REHABILITATION OF ROADS IN ASHDOWN		RNMP 278								1,500	-	-	RENEWAL
	Infrastructure	UPGRADING OF GRAVEL ROADS - EDENDALE - MACHIBISA / DAMBUSA RDS - Phase 2		RNMP 271								2,000	-	-	RENEWAL
	Infrastructure	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - IMBALI BB - PHASE 2: New road next to Zandi store, Kancane Rd, Sibukasizwe Rd		RNMP 274								1,500	-	-	RENEWAL
Infrastructure	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - Shembe Rd and Joe Ngidi rd										2,500	-	-	RENEWAL	
Infrastructure	UPGRADING OF GRAVEL ROADS - VULINDLELA - D2069 (Mhalane Rd)										4,000	-	-	RENEWAL	
Infrastructure	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - Caluza Roads										1,700	2,000	-	RENEWAL	
Infrastructure	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - Smerae roads & SW										-	2,500	-	RENEWAL	
Infrastructure	UPGRADING OF GRAVEL ROADS - GREATER EDENDALE - Snatching Rds - 5.0km - (Mvubu Rd - 0.3km, Gudintaba Rd - 0.4km, Gudintaba 2 Rd - 0.4km, Mpampini Rd - 0.6km, Khaza Rd - 0.8km, Magdaba Rd - 0.8km and Hlathini Ext Rd - 2.0km)										-	2,500	3,000	RENEWAL	
Infrastructure	UPGRADE SWD IN GREATER EDENDALE - Flooding Houses in Smerae										300	300	200	RENEWAL	
Infrastructure	HIGH MAST LIGHTS IN VULINDLELA & GREATER EDENDALE										8,000	8,392	9,000	NEW	
Development Services		NDPG GRANT										443,198	264,271	10,000	
1															
Parent Capital expenditure															
Entities:															



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA36 Consolidated detailed capital budget																		
Municipal Vote/Capital project	Ref	Program/Project description										2013/14 Medium Term Revenue & Expenditure Framework				Project information		
R thousand	4	Project number	"IDP Goal code 2"	"Individually Approved (Yes/No)" 6	"Asset Class" 3	"Asset Sub-Class" 3	"GPS co-ordinates" 5	Total Project Estimate	Prior year outcomes		Budget Year 2013/14		Budget Year +1 2014/15		Budget Year +2 2015/16		Ward location	New or renewal
									Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Year	Year +1	Year	Year +1	Year	Year +1		
List all capital projects grouped by Entity																		
Entity A																		
Water project A																		
Entity B																		
Electricity project B																		
Entity Capital expenditure									-	-	-	-	-	-	-	-	-	
									-	-	443,158	264,271	-	-	-	252,390		

2.7. Other supporting documents

Table 45 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN225 Msunduzi - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework					
		Audited Outcome	2010/11	2011/12	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	420,030	448,257	878,862	862,061	862,061	862,061	862,061	974,813	1,051,833	1,110,484
less Revenue Foregone				373,552	285,660	285,660	285,660	285,660	367,505	387,718	409,042
Net Property Rates		420,030	448,257	505,310	576,402	576,402	576,402	576,402	607,308	664,116	701,442
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	816,173	1,011,459	1,216,308	1,416,917	1,417,115	1,417,115	1,417,115	1,565,566	1,721,470	1,892,963
less Revenue Foregone				3,648					6,739	6,760	6,783
Net Service charges - electricity revenue		816,173	1,011,459	1,212,660	1,416,917	1,417,115	1,417,115	1,417,115	1,558,827	1,714,709	1,886,180
Service charges - water revenue											
Total Service charges - water revenue	6	213,633	270,107	345,941	328,337	339,545	339,545	339,545	396,383	417,808	440,382
less Revenue Foregone				57,596	10,983				17,938	18,906	19,928
Net Service charges - water revenue		213,633	270,107	288,345	317,354	339,545	339,545	339,545	378,445	398,902	420,454
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		76,207	102,592	110,386	130,567	125,263	125,263	125,263	139,811	147,361	155,318
less Revenue Foregone				2,879	16,567				7,658	8,079	8,524
Net Service charges - sanitation revenue		76,207	102,592	107,507	114,000	125,263	125,263	125,263	132,153	139,281	146,795
Service charges - refuse revenue											
Total refuse removal revenue	6	53,287	65,559	70,077	87,272	73,547	73,547	73,547	80,205	84,597	89,219
Total landfill revenue				(14)	8,520				2,613	2,757	2,908
less Revenue Foregone											
Net Service charges - refuse revenue		53,287	65,559	70,091	78,752	73,547	73,547	73,547	77,592	81,841	86,311
Other Revenue by source											
Airport				3,461					3,387	3,387	3,387

2013/14 to 2015/16

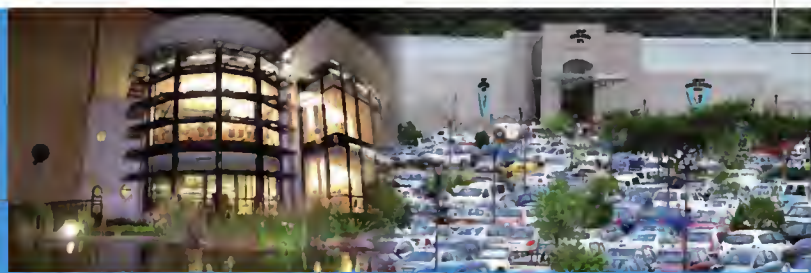




MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA 1 Supporting detail to 'Budgeted Financial Performance'												
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
Forestry					12,871							
Market					17,175					17,982	18,881	17,841
Burials & Crematoriums					1,258					1,125	1,180	1,245
Buildings					1,953					1,606	1,694	1,788
Reconnections					12,602					11,061	11,578	12,215
Training Levy Recoveries					3,147					3,500	3,693	3,896
Hullet External Charges					1,553							
Rates Certificates					884							
Water Sundry					571							
Other Revenue			568,910	516,909	447,568	49,785	88,689	88,689	88,689	1	1	1
Sundry Income		3								9,349	8,808	8,453
Total 'Other' Revenue		1	568,910	516,909	503,043	49,785	88,689	88,689	88,689	48,011	49,222	48,825
EXPENDITURE ITEMS:												
Employee related costs												
Basic Salaries and Wages		2	434,490	449,181	456,796	520,376	507,969	507,969	507,969	543,527	568,665	604,891
Pension and UIF Contributions					86,399	91,266	101,066	101,066	101,066	143,724	153,066	163,015
Medical Aid Contributions					32,577	32,720	32,865	32,865	32,865			
Overtime			45,438	24,922	27,337	19,375	26,671	26,671	26,671	27,527	28,902	30,347
Performance Bonus												
Motor Vehicle Allowance			20,754	24,162	32,352	14,189	25,113	25,113	25,113	34,085	35,944	28,571
Cellphone Allowance												
Housing Allowances			5,171	3,648	3,754	3,972	3,487	3,487	3,487	3,713	3,955	4,212
Other benefits and allowances			107,053	116,396	10,738	14,747	17,541	17,541	17,541	8,785	9,355	9,931
Payments in lieu of leave												
Long service awards			13,979	15,796	16,245	16,770	17,216	17,216	17,216	18,360	19,554	20,825
Post-retirement benefit obligations		4										
sub-total		5	626,885	634,106	666,198	713,415	731,928	731,928	731,928	779,721	819,440	861,792
Less: Employees costs capitalised to PPE												
Total Employee related costs		1	626,885	634,106	666,198	713,415	731,928	731,928	731,928	779,721	819,440	861,792
Contributions recognised - capital												
List contributions by contract												
Total Contributions recognised - capital			-	-	-	-	-	-	-	-	-	-

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'												
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Depreciation & asset impairment												
Depreciation of Property, Plant & Equipment			123,646	252,225	273,064	158,000	158,000	158,000	158,000	222,212	256,533	282,183
Lease amortisation			397	1,260	586							
Capital asset impairment												
Depreciation resulting from revaluation of PPE		10										
Total Depreciation & asset impairment		1	124,044	253,485	273,650	158,000	158,000	158,000	158,000	222,212	256,533	282,183
Bulk purchases												
Electricity Bulk Purchases			568,236	729,325	919,410	1,073,681	1,406,504	1,406,504	1,406,504	1,123,929	1,262,429	1,350,799
Water Bulk Purchases			236,743	265,041	297,925	309,243				369,961	388,205	419,261
Total bulk purchases		1	804,979	994,366	1,217,335	1,382,923	1,406,504	1,406,504	1,406,504	1,493,890	1,650,634	1,770,060
Transfers and grants												
Cash transfers and grants			4,342	3,967	4,144	4,500	4,500	4,500	4,500	5,027	5,274	5,563
Non-cash transfers and grants			-	-	-	-	-	-	-	-	-	-
Total transfers and grants		1	4,342	3,967	4,144	4,500	4,500	4,500	4,500	5,027	5,274	5,563
Contracted services												
Security Contract			-	-	21,091	16,497	16,665	16,665	16,665	16,792	17,678	18,556
External Cashiers					5,236	5,820	6,550	6,550	6,550			
External Services					41,476	34,631	42,539	42,539	42,539	40,384	42,208	43,364
sub-total		1	-	-	67,803	56,948	65,754	65,754	65,754	57,176	59,886	61,919
Allocations to organs of state:												
Electricity												
Water												
Sanitation												
Other					-							
Total contracted services			-	-	67,803	56,948	65,754	65,754	65,754	57,176	59,886	61,919
Other Expenditure By Type												
Collection costs			2,461	1,664	1,540					3,102	3,253	3,412
Contributions to 'other' provisions												
Consultant fees					3,302	1,113	7,212	7,212	7,212	2,454	3,451	29,175
Audit fees					4,034	4,018	4,068	4,068	4,068	4,475	4,923	5,415
General expenses		3	835,255	676,256	41,776	196,546	276,287	278,539	276,289	157,383	179,616	218,481
Mayors Projects					-		2,250		2,250	6,185	6,485	6,801



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework					
		2009/10	2010/11	2011/12	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year 2014/15	Budget Year +2 2015/16
R thousand											
Bad Debts - Provision				58,210					3,512	3,648	3,821
Pension Payable				-							
Interest Paid				71,449							
Government Grant Expenditure				4,144					29,535	28,390	29,680
Extra Ordinary Items				-		2,803	2,803	2,803	2,803	2,803	2,803
Cost Of Income Forgone				300,174							
External Services				41,476							
Distribution Wages				54,380							
DownTime Leave/Sickpay				16,217							
Loss on Sale of Assets				-					1,585	-	-
Operating Costs - Vulindlela				10,350					3,916	4,106	4,307
Telephones				-		6,424	6,424	6,424	6,449	6,726	7,062
Eskom Payments				7,001					7,986	8,386	8,426
Hire Charges				14,612					14,840	15,609	15,812
Petrol and Lubricants				18,222					22,365	23,547	24,933
Distribution Plant Hire				15,751					19,968	21,120	22,354
Poor Relief				-					18,791	19,475	20,196
Repairs and Maintenance				39,510	89,185	89,288	89,288	89,288	95,314	99,643	130,802
Discount to Bulk Consumers		65,924	57,394						2,155	2,273	2,398
Insurance General									1,666	1,794	1,933
Total 'Other' Expenditure	1	903,640	735,314	702,148	290,862	388,332	388,334	388,334	404,483	435,248	537,811
"Repairs and Maintenance by Expenditure Item"	8										
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure		66,285	58,214,303	39,510	89,185	89,288	89,288	89,288	95,314	99,643	130,802
Total Repairs and Maintenance Expenditure	9	66,285	58,214,303	39,510	89,185	89,288	89,288	89,288	95,314	99,643	130,802

2013/14 to 2015/16



Table 46 MBRR Table SA2 – Matrix financial performance budget (revenue source/expense type and department)

KZN225 Msunduzi - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expense type & dept.)																	
Description	Ref	Vote 1 - Corporate Services	Vote 2 - Financial Management Area	Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	Vote 4 - Sustainable Community Service Delivery Provision Management	Vote 5 - (NAME OF VOTE 5)	Vote 6 - (NAME OF VOTE 6)	Vote 7 - (NAME OF VOTE 7)	Vote 8 - (NAME OF VOTE 8)	Vote 9 - (NAME OF VOTE 9)	Vote 10 - (NAME OF VOTE 10)	Vote 11 - (NAME OF VOTE 11)	Vote 12 - (NAME OF VOTE 12)	Vote 13 - (NAME OF VOTE 13)	Vote 14 - (NAME OF VOTE 14)	Vote 15 - (NAME OF VOTE 15)	Total
R thousand	1	R'000	R'000	R'000	R'000	R'000	R'000										R'000
Revenue By Source																	R'000
Property rates		-	608,104	-	-	-	-	-	-	-	-	-	-	-	-	-	608,104
Property rates - penalties & collection charges		-	37,363														37,363
Service charges - electricity revenue		-		1,558,827													1,558,827
Service charges - water revenue		-		373,500													373,500
Service charges - sanitation revenue		-		132,153													132,153
Service charges - refuse revenue		-		77,592													77,592
Service charges - other		-															-
Rental of facilities and equipment			26,343														26,343
Interest earned - external investments			18,941														18,941
Interest earned - outstanding debtors			1,255														1,255
Dividends received		-															-
Fines			5,634														5,634
Licences and permits			48														48
Agency services			586														586
Other revenue			48,011	-													48,011
Transfers recognised - operational		-	652,059	-													652,059
Gains on disposal of PPE		-	-	-													-
Total Revenue (excluding capital transfers and contributions)		-	1,398,344	2,142,072	-	-	-	-	-	-	-	-	-	-	-	-	3,540,416
Expenditure By Type																	
Employee related costs		-	770,620	-													770,620
Remuneration of councillors		-		-	36,419												36,419
Debt impairment			137,510														137,510
Depreciation & asset impairment		-	-	189,600	-												189,600
Finance charges		-	64,601	-													64,601
Bulk purchases				1,498,061													1,498,061



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)

Description	Ref	Vote 1 - Corporate Services	Vote 2 - Financial Manage- ment Area	Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	Vote 4 - Sustainable Community Service Delivery Provision Management	Vote 5 - (NAME OF VOTE 5)	Vote 6 - (NAME OF VOTE 6)	Vote 7 - (NAME OF VOTE 7)	Vote 8 - (NAME OF VOTE 8)	Vote 9 - (NAME OF VOTE 9)	Vote 10 - (NAME OF VOTE 10)	Vote 11 - (NAME OF VOTE 11)	Vote 12 - (NAME OF VOTE 12)	Vote 13 - (NAME OF VOTE 13)	Vote 14 - (NAME OF VOTE 14)	Vote 15 - (NAME OF VOTE 15)	Total
R thousand	1	R'000	R'000	R'000	R'000	R'000	R'000									R'000	R'000
Other materials																	-
Contracted services		16,792	-	-	-												16,792
Transfers and grants		-	5,027	-	-												5,027
Other expenditure			755,200														755,200
Loss on disposal of PPE			-														-
Total Expenditure		16,792	1,732,958	1,687,661	36,419												3,473,831
Surplus/(Deficit)		(16,792)	(334,614)	454,411	(36,419)												66,585
Transfers recognised - capital				383,158													383,158
Contributions recognised - capital																	-
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		(16,792)	(334,614)	837,569	(36,419)												449,743

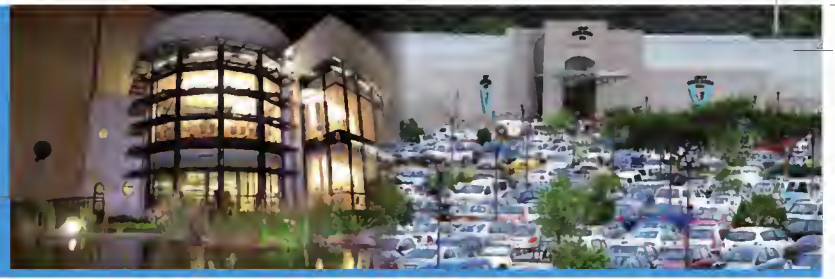


Table 47 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN225 Msunduzi - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS											
Call investment deposits											
Call deposits < 90 days		118,689	282,404	561,104	511,892	648,239	648,239	648,239	539,022	565,434	593,706
Other current investments > 90 days											
Total Call investment deposits	2	118,689	282,404	561,104	511,892	648,239	648,239	648,239	539,022	565,434	593,706
Consumer debtors											
Consumer debtors		645,382	878,881	542,688	987,841	987,841	987,841	987,841	828,214	1,091,166	970,021
Less: Provision for debt impairment		(430,578)	(525,990)	(58,210)	(250,342)	(250,342)	(250,342)	(250,342)	(137,510)	(154,111)	(158,637)
Total Consumer debtors	2	214,804	352,890	542,688	737,498	737,498	737,498	737,498	690,704	937,055	811,384
Debt impairment provision											
Balance at the beginning of the year		(182,000)	(430,578)	(525,990)	(686,907)	(686,907)	(1,373,814)	(1,373,814)	(1,052,407)	(952,102)	(454,210)
Contributions to the provision		(250,540)	(96,000)	(58,210)	(250,342)	(250,342)	(500,685)	(500,685)	(137,510)	(154,111)	(158,637)
Bad debts written off		1,962	588	(157)							
Balance at end of year		(430,578)	(525,990)	(584,357)	(937,250)	(937,250)	(1,874,499)	(1,874,499)	(1,189,917)	(1,106,213)	(612,847)
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		7,400,517	7,431,732	7,665,219	7,920,358	7,920,358	7,920,358	7,920,358	7,780,053	7,806,200	7,930,631
Leases recognised as PPE											
Less: Accumulated depreciation	3	1,056,123	1,034,085	1,303,576	1,211,524	1,211,524	1,211,524	1,211,524	1,275,735	1,327,054	1,268,901
Total Property, plant and equipment (PPE)	2	6,344,394	6,397,646	6,361,643	6,708,834	6,708,834	6,708,834	6,708,834	6,504,318	6,479,146	6,661,730
LIABILITIES											
Current liabilities - Borrowing				-							
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		3,443	2,861	43,584	43,584	43,584	43,584	43,584	38,030	36,129	34,323
Total Current liabilities - Borrowing		3,443	2,861	43,584	43,584	43,584	43,584	43,584	38,030	36,129	34,323
Trade and other payables											
Trade and other creditors		370,452	364,435	399,032	183,466	183,466	183,466	183,466	437,008	221,119	234,386
Unspent conditional transfers		140,882	121,164	149,448					97,764		



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
VAT		22,513	41,559	52,660	79,141	79,141	79,141	79,141	83,336	87,419	91,790
Total Trade and other payables	2	533,847	527,157	601,139	262,607	262,607	262,607	262,607	618,107	308,538	326,176
Non current liabilities - Borrowing											
Borrowing	4	562,979	514,616	575,954	647,309	647,309	647,309	647,309	573,000	503,000	430,000
Finance leases (including PPP asset element)		7,150	4,326	2,008							
Total Non current liabilities - Borrowing		570,129	518,942	577,963	647,309	647,309	647,309	647,309	573,000	503,000	430,000
Provisions - non-current											
Retirement benefits		151,097	211,638	285,724	-	-	-	-	-	-	-
List other major provision items											
Refuse landfill site rehabilitation		3,624	20,362	22,546	-	-	-	-	-	-	-
Other		-	-	-	2,585	2,585	2,585	2,585	-	-	-
Total Provisions - non-current		154,721	232,001	308,270	2,585	2,585	2,585	2,585	-	-	-
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit) - opening balance		6,095,940	6,037,415	6,052,849	7,461,041	7,593,742	7,593,741	7,593,741	6,990,290	7,071,000	8,501,005
GRAP adjustments											
Restated balance		6,095,940	6,037,415	6,052,849	7,461,041	7,593,742	7,593,741	7,593,741	6,990,290	7,071,000	8,501,005
Surplus/(Deficit)		(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391
Appropriations to Reserves		-	-	-	-	-	-	-	-	-	-
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	-	-	-	-	-	266,161	252,327	-
Accumulated Surplus/(Deficit)	1	5,943,098	6,216,882	6,441,254	7,696,199	7,819,254	7,819,252	7,819,252	7,706,195	7,592,156	8,753,395
Reserves											
Housing Development Fund		52,480	53,214	55,526	54,438	54,438	54,438	54,438	57,323	60,132	-
Capital replacement					-	-	-	-	-	-	-
Self-insurance					(1,180)	(1,180)	(1,180)	(1,180)	(1,242)	(1,303)	-
Other reserves					-	-	-	-	-	-	53,214
Revaluation					-	-	-	-	-	-	-
Total Reserves	2	52,480	53,214	55,526	53,258	53,258	53,258	53,258	56,081	58,829	53,214

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
TOTAL COMMUNITY WEALTH/EQUITY	2	5,995,578	6,270,096	6,496,780	7,749,457	7,872,512	7,872,510	7,872,510	7,762,276	7,650,984	8,806,609

Total capital expenditure includes expenditure on nationally significant priorities:

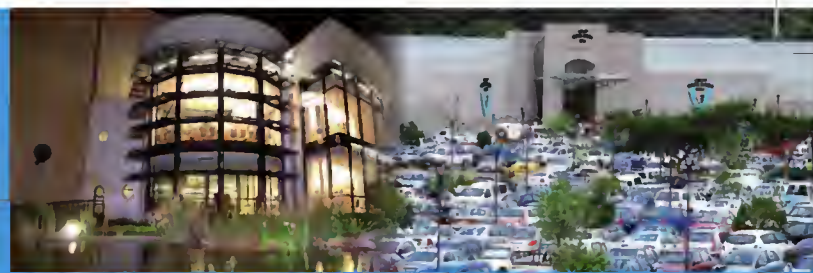
Provision of basic services											
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MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA9 Social, economic and demographic statistics and assumptions											
Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework	
										Outcome	Outcome
Demographics											
Population		Census Count/Estimate		552 837	617	616,730	616,730	616,730	616,730	616,730	616,730
Females aged 5 - 14		Census Count/Estimate			60	60,191	60,191	60,191	60,191	166,517	166,517
Males aged 5 - 14		Census Count/Estimate			62	62,027	62,027	62,027	62,027	197,354	197,354
Females aged 15 - 34		Census Count/Estimate			122	121,878	121,878	121,878	121,878	228,190	228,190
Males aged 15 - 34		Census Count/Estimate			123	122,889	122,889	122,889	122,889	240,525	240,525
Unemployment		Census Count/Estimate			98	97,816	97,816	97,816	97,816	97,816	97,816
Monthly household income (no. of households)	1, 12										
No income											
R1 - R1 600										119,039	119,039
R1 601 - R3 200										77,281	77,281
R3 201 - R6 400										28,922	28,922
R6 401 - R12 800										22,852	22,852
R12 801 - R25 600										5968	5968
R25 601 - R51 200										3086	3086
R52 201 - R102 400										461	461
R102 401 - R204 800										581	581
R204 801 - R409 600										No Data	No Data
R409 601 - R819 200										No Data	No Data
> R819 200										No Data	No Data
Poverty profiles (no. of households)											
< R2 060 per household per month	13										
Insert description	2										
Household/demographics (000)											
Number of people in municipal area		Statistics South Africa			616,730	617	617	617	617	617	617
Number of poor people in municipal area					134,390					No Data	No Data
Number of households in municipal area		Statistics South Africa				134	134	134	134	134	134
Number of poor households in municipal area										No Data	No Data

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework		
										Outcome	Outcome	Outcome
Definition of poor household (R per month)										No Data	No Data	No Data
Housing statistics	3											
Formal		Statistics South Africa		67,899	67,899	67,899	67,899	67,899	67,899	No Data	No Data	No Data
Informal		Statistics South Africa		10,369	10,369	10,369	10,369	10,369	10,369	No Data	No Data	No Data
Total number of households			-	78,268	78,268	78,268	78,268	78,268	78,268	-	-	-
Dwellings provided by municipality	4	Statistics South Africa		134,390	134,390	134,390	134,390	134,390	134,390	134,390	No Data	No Data
Dwellings provided by province/s		Statistics South Africa		2,155,151	2,155,151	2,155,151	2,155,151	2,155,151	2,155,151	2,155,151	No Data	No Data
Dwellings provided by private sector	5			2,289,541	2,289,541	2,289,541	2,289,541	2,289,541	2,289,541	2,289,541	No Data	No Data
Total new housing dwellings			-	-	-	2,289,541	2,289,541	2,289,541	2,289,541	2,289,541	-	-
Economic	6											
Inflation/inflation outlook (CPIX)						10.4%		4.0%	4.0%	No Data	No Data	No Data
Interest rate - borrowing						14.0%		9.0%	9.0%	No Data	No Data	No Data
Interest rate - investment						6.3%		5.0%	5.0%	No Data	No Data	No Data
Remuneration increases						8.5%		8.5%	7.0%	No Data	No Data	No Data
Consumption growth (electricity)									8.0%	No Data	No Data	No Data
Consumption growth (water)									8.0%	No Data	No Data	No Data
Collection rates	7											
Property tax/service charges									89.5%	No Data	No Data	No Data
Rental of facilities & equipment										No Data	No Data	No Data
Interest - external investments						9.0%			5.0%	No Data	No Data	No Data
Interest - debtors						60.0%			89.5%	No Data	No Data	No Data
Revenue from agency services										No Data	No Data	No Data



MSUNDUZI ANNUAL BUDGET

2.8. Municipal manager's quality certificate

I, Process Manager: Budget and Financial of Msunduzi Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____
Process Manager: Budget and Financial of Msunduzi Municipality (KZN225)
Signature _____
Date _____

2013/14 to 2015/16



KZN225 Msunduzi - Table A1 Consolidated Budget Summary										
Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial Performance										
Property rates	440,315	474,615	536,555	610,214	623,903	623,903	623,903	644,671	702,973	742,242
Service charges	1,159,301	1,449,717	1,678,603	1,927,023	1,955,471	1,955,471	1,955,471	2,147,016	2,334,733	2,539,739
Investment revenue	6,757	13,752	25,907	12,100	18,356	18,356	18,357	27,029	27,454	28,519
Transfers recognised - operational	355,033	385,630	500,669	365,204	422,369	422,369	422,369	383,848	402,067	422,980
Other own revenue	614,234	578,286	591,046	73,250	117,934	117,934	117,933	88,920	77,876	80,623
Total Revenue (excluding capital transfers and contributions)	2,575,640	2,902,000	3,332,779	2,987,790	3,138,032	3,138,032	3,138,031	3,291,485	3,545,102	3,814,104
Employee costs	626,885	634,106	666,198	713,415	731,928	731,928	731,928	779,721	819,440	861,792
Remuneration of councillors	19,386	18,418	31,427	34,000	34,001	34,000	34,000	36,419	38,422	40,535
Depreciation & asset impairment	124,044	253,485	273,650	158,000	158,000	158,000	158,000	222,212	256,533	282,183
Finance charges	75,273	71,568	72,134	77,500	70,831	70,831	70,831	64,600	59,255	54,480
Materials and bulk purchases	804,979	994,366	1,217,335	1,397,078	1,425,550	1,425,550	1,425,550	1,517,751	1,675,853	1,795,718
Transfers and grants	4,342	3,967	4,144	4,500	4,500	4,500	4,500	5,027	5,274	5,563
Other expenditure	1,151,981	831,277	828,161	598,153	704,429	704,431	704,431	599,168	625,768	723,833
Total Expenditure	2,806,890	2,807,186	3,093,048	2,982,646	3,129,239	3,129,239	3,129,240	3,224,899	3,480,545	3,764,103
Surplus/(Deficit)	(231,250)	94,814	239,731	5,144	8,793	8,792	8,792	66,586	64,557	50,001
Transfers recognised - capital	78,407	84,654	148,674	230,014	216,719	216,719	216,719	383,158	204,271	202,390
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391
Capital expenditure & funds sources										
Capital expenditure	176,033	111,149	223,563	230,014	309,756	309,756	309,756	443,158	264,271	252,390
Transfers recognised - capital	78,407	84,654	148,674	230,014	216,719	216,719	216,719	383,158	204,271	202,390
Public contributions & donations	-	-	-	-	135	135	135	-	-	-
Borrowing	97,626	26,495	-	-	47,075	47,075	47,075	-	-	-
Internally generated funds	-	-	74,889	-	45,827	45,827	45,827	60,000	60,000	50,000
Total sources of capital funds	176,033	111,149	223,563	230,014	309,756	309,756	309,756	443,159	264,271	252,390
Financial position										
Total current assets	448,454	719,535	1,193,710	1,416,365	1,552,712	1,552,712	1,552,712	1,403,494	1,679,462	2,608,937
Total non current assets	6,766,541	6,816,930	6,754,296	7,129,993	7,129,994	7,129,994	7,129,994	6,923,709	6,896,753	7,083,277
Total current liabilities	573,844	600,934	718,931	377,021	377,021	377,021	377,021	730,078	422,230	455,604



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A1 Consolidated Budget Summary										
Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Total non current liabilities	724,850	750,943	886,232	649,894	649,894	649,894	649,894	573,000	503,000	430,000
Community wealth/Equity	5,916,302	6,184,589	6,342,843	7,519,443	7,655,791	7,655,791	7,655,791	7,762,276	7,650,985	8,806,610
Cash flows										
Net cash from (used) operating	38,087	480,683	436,331	243,413	413,676	413,676	413,676	395,062	283,570	141,211
Net cash from (used) investing	(29,847)	(302,834)	(210,387)	(229,484)	(263,929)	(263,399)	(263,399)	(285,819)	(194,686)	(193,010)
Net cash from (used) financing	139,592	(22,046)	63,596	(19,743)	(19,743)	(19,743)	(19,743)	(41,453)	40,645	233,145
Cash/cash equivalents at the year end	260,699	416,502	706,042	700,228	830,232	830,762	830,762	898,552	1,028,081	1,209,427
Cash backing/surplus reconciliation										
Cash and investments available	256,713	576,231	583,678	573,374	709,722	709,722	709,722	603,763	633,347	1,656,546
Application of cash and investments	966,114	924,159	574,809	149,341	(655,171)	(7,861)	(655,172)	557,087	(175,531)	(117,807)
Balance - surplus (shortfall)	(709,402)	(347,927)	8,869	424,033	1,364,892	717,583	1,364,893	46,676	808,878	1,774,353
Asset management										
Asset register summary (WDV)	6,639,765	6,810,307	6,746,220	7,121,965	7,121,965	7,121,965	6,915,255	6,915,255	6,887,885	7,074,318
Depreciation & asset impairment	124,044	253,485	273,650	158,000	158,000	158,000	222,212	222,212	256,533	282,183
Renewal of Existing Assets	95,810	88,822	-	119,912	174,103	174,103	174,103	268,858	187,929	190,400
Repairs and Maintenance	118,194	65,648	39,510	89,185	89,288	89,288	94,956	94,956	99,267	130,406
Free services										
Cost of Free Basic Services provided	39,245	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	71,326	267,211	-	338,903	338,903	338,903	363,502	363,502	391,259	420,337
Households below minimum service level										
Water:	2	-	6	-	-	6	-	-	-	-
Sanitation/sewerage:	-	-	5	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	58	54	-	74	74	74	54	54	34	20

2013/14 to 2015/16



KZN225 Msunduzi - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)											
Standard Classification Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard											
Governance and administration											
	Executive and council		980,034	1,029,257	1,119,104	668,763	882,848	882,848	863,576	895,852	790,372
	Budget and treasury office		465	700	564	287	1,240	1,240	302	317	-
	Corporate services		960,908	1,005,928	1,112,184	642,450	853,288	853,288	846,614	876,975	786,303
Community and public safety											
	Community and social services		18,662	22,629	6,356	26,026	28,320	28,320	16,660	18,559	4,069
	Sport and recreation		77,867	31,697	40,340	26,289	40,416	40,416	32,854	34,473	10,929
	Public safety		5,699	4,659	18,150	1,527	23,470	23,470	1,631	1,741	2,683
	Health		901	796	1,971	835	552	552	892	953	35
Economic and environmental services											
	Planning and development		9,564	9,145	5,451	6,631	7,166	7,166	26,998	28,412	8,133
	Road transport		50,924	4,485	4,123	14,664	4,121	4,121	3,233	3,260	77
	Environmental protection		10,779	12,612	10,645	2,632	5,106	5,106	101	108	2
	Trading services		25,601	34,364	107,704	5,721	73,574	73,574	5,350	6,445	15,521
	Electricity		10,811	5,441	40,593	4,788	18,098	18,098	4,342	5,354	15,026
	Water		14,790	28,923	67,110	933	55,476	55,476	1,008	1,091	495
	Waste water management		-	-	-	-	-	-	-	-	-
	Waste management		1,462,475	1,762,619	2,036,663	2,268,708	2,122,114	2,122,114	2,263,174	2,507,785	2,903,199
	Other	4	945,257	1,069,468	1,267,996	1,557,285	1,445,525	1,445,525	1,640,105	1,880,590	2,241,938
			307,001	473,549	508,028	398,569	452,682	452,682	392,974	383,327	411,586
			144,658	142,243	170,205	174,132	138,097	138,097	144,974	148,808	151,784
			65,559	77,360	90,434	138,721	85,810	85,810	85,120	95,059	97,891
		4	29,662	44,062	28,968	18,309	19,080	19,080	126,531	100,548	94,083
	Total Revenue - Standard	2	2,575,640	2,902,000	3,332,779	2,987,790	3,138,032	3,138,032	3,291,485	3,545,102	3,814,105
Expenditure - Standard											
Governance and administration											
	Executive and council		514,290	562,611	488,015	547,848	475,334	475,336	478,471	563,959	439,115
	Budget and treasury office		-	-	21	71,094	60,050	71,530	63,134	66,337	69,712
	Corporate services		448,665	477,872	487,363	206,566	140,383	128,906	210,837	327,710	175,252
Community and public safety											
	Community and social services		65,625	84,739	631	270,188	274,900	274,900	204,500	169,912	194,151
	Sport and recreation		419,190	403,145	452,941	376,578	386,364	386,364	389,983	424,529	507,342
	Public safety		40,432	44,617	87,882	38,719	53,970	53,970	62,957	65,257	73,555
	Health		85,786	94,720	104,373	77,038	72,964	72,964	75,535	79,930	78,277
			169,146	173,748	171,160	177,669	203,610	203,610	205,998	231,587	305,851
			69,528	34,718	31,956	36,554	20,804	20,804	19,696	20,386	21,120
			54,298	55,342	57,570	46,598	35,015	35,015	25,797	27,369	28,539



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)											
Standard Classification Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Economic and environmental services			217,935	217,368	317,415	161,452	303,924	303,924	112,986	115,416	96,416
Planning and development			45,815	38,536	54,896	65,668	92,240	92,240	72,383	76,054	78,639
Road transport			172,120	178,832	262,519	95,784	211,685	211,685	40,603	39,363	17,777
Environmental protection			-	-	-	-	-	-	-	-	-
Trading services			1,615,560	1,570,083	1,789,592	1,855,665	1,923,119	1,923,119	2,180,746	2,344,110	2,620,053
Electricity			1,059,705	936,217	1,144,078	1,215,590	1,215,208	1,215,208	1,482,680	1,587,127	1,784,637
Water			336,009	416,245	425,843	476,068	514,614	514,614	573,488	525,292	456,072
Waste water management			118,086	126,757	116,054	95,019	115,952	115,952	23,555	127,056	268,617
Waste management			101,761	90,864	103,617	68,988	77,345	77,345	101,024	104,635	110,728
Other		4	39,914	53,980	45,086	41,102	40,498	40,497	62,713	32,531	101,177
Total Expenditure - Standard		3	2,806,890	2,807,186	3,093,048	2,982,646	3,129,239	3,129,239	3,224,899	3,480,545	3,764,104
Surplus/(Deficit) for the year			(231,250)	94,814	239,731	5,144	8,793	8,792	66,586	64,557	50,001
References											
1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes											
2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)											
3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)											
4. All amounts must be classified under a standard classification (modified Gfs). The Gfs function 'Other' is only for Abattoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification											

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abbatoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

2013/14 to 2015/16



KZN225 Msunduzi - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)												
Standard Classification Description			Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand			1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard												
Municipal governance and administration												
Executive and council				465	700	564	287	1,240	1,240	302	317	-
Mayor and Council				462	668	336		-	-	-	-	-
Municipal Manager				2	32	228	287	1,240	1,240	302	317	-
Budget and treasury office				960,908	1,005,928	1,112,184	642,450	853,288	853,288	846,614	876,975	786,303
Corporate services				18,662	22,629	6,356	26,026	28,320	28,320	16,660	18,559	4,069
Human Resources				2,510	112	3,307	2,765	3,067	3,067	2,911	3,054	4,065
Information Technology				31	13	9	11	8	8	12	13	3
Property Services				13,214	19,437		22,993	24,854	24,854	13,466	15,207	-
Other Admin				2,907	3,067	3,040	256	390	390	271	285	0
Community and public safety				77,867	31,697	40,340	26,289	40,416	40,416	32,854	34,473	10,929
Community and social services				5,699	4,659	18,150	1,527	23,470	23,470	1,631	1,741	2,683
Libraries and Archives				4,678	3,821	2,462	452	21,768	21,768	499	554	-
Museums & Art Galleries etc				71	80	696						1,434
Community halls and Facilities				-	-	2,452						1,245
Cemeteries & Crematoriums				946	758	3,854	1,075	1,702	1,702	1,132	1,187	
Child Care				-	-	-						-
Aged Care				5	-	-						-
Other Community				-	-	6,714						5
Other Social				-	-	-						-
Sport and recreation				901	796	1,971	835	552	552	892	953	35
Public safety				9,564	9,145	5,451	6,631	7,166	7,166	26,998	28,412	8,133
Police				7,892	6,869	5,076	4,718	5,100	5,100	5,009	5,366	7,688
Fire				1,460	588	375	384	533	533	405	430	445
Civil Defence				0	0	-	-	-	-	-	-	-
Street Lighting				206	328	-	24	24	24	27	30	-
Other				6	1,361	-	1,505	1,509	1,509	21,557	22,586	-
Housing				50,924	4,485	4,123	14,664	4,121	4,121	3,233	3,260	77
Health				10,779	12,612	10,645	2,632	5,106	5,106	101	108	2
Clinics				0	12,488	3,271	2,542	5,074	5,074	6	6	-
Ambulance				-	-	-	-	-	-	-	-	-
Other				10,779	124	7,375	89	32	32	95	102	2



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)													
Standard Classification Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework				
	R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16		
	Economic and environmental services	Planning and development	25,601	34,364	107,704	5,721	73,574	73,574	5,350	6,445	15,521		
		Economic Development/Planning	10,811	5,441	40,593	4,788	18,098	18,098	4,342	5,354	15,026		
		Town Planning/Building enforcement	10,298	4,919	36,970	4,078	17,503	17,503	4,294	4,505	11,994		
		Licensing & Regulation	-	-	2,921	-	-	-	-	-	-	2,974	
		Road transport	513	522	703	710	595	595	595	48	849	58	
		Roads	14,790	28,923	67,110	933	55,476	55,476	1,008	1,091	495		
		Public Buses	11,891	15,263	45,267	3	938	938	4	4	216		
		Parking Garages	2,070	12,687	21,843	246	53,747	53,747	275	311	280		
		Vehicle Licensing and Testing	671	786	-	558	628	628	588	616	-		
		Other	-	-	-	-	-	-	-	-	-		
	Environmental protection	159	188	-	126	163	163	141	160	-			
	Pollution Control	-	-	-	-	-	-	-	-	-			
	Biodiversity & Landscape	-	-	-	-	-	-	-	-	-			
	Other	-	-	-	-	-	-	-	-	-			
	Trading services	Electricity	1,462,475	1,762,619	2,036,663	2,268,708	2,122,114	2,122,114	2,122,114	2,263,174	2,507,785	2,903,199	
		Electricity Distribution	945,257	1,069,468	1,267,996	1,557,285	1,445,525	1,445,525	1,445,525	1,640,105	1,880,590	2,241,938	
		Electricity Generation	945,257	1,069,468	1,267,996	1,557,285	1,445,525	1,445,525	1,445,525	1,640,105	1,880,590	2,241,938	
		Water	307,001	473,549	508,028	398,569	452,682	452,682	452,682	392,974	383,327	411,586	
		Water Distribution	307,001	473,549	508,028	398,569	452,682	452,682	452,682	392,974	383,327	411,586	
		Water Storage	-	-	-	-	-	-	-	-	-	-	
		Waste water management	144,658	142,243	170,205	174,132	138,097	138,097	138,097	144,974	148,808	151,784	
		Sewerage	144,655	142,238	170,205	174,132	138,097	138,097	138,097	144,974	148,808	151,784	
		Storm Water Management	4	5	-	-	-	-	-	0	0	-	
Public Toilets		-	-	-	-	-	-	-	-	-	-		
Waste management		65,559	77,360	90,434	138,721	85,810	85,810	85,810	85,120	95,059	97,891		
Solid Waste		65,559	77,360	90,434	138,721	85,810	85,810	85,810	85,120	95,059	97,891		
Other		29,662	44,062	28,968	18,309	19,080	19,080	19,080	126,531	100,548	94,083		
Air Transport	2,256	14,893	13,530	4,015	3,360	3,360	3,360	34,590	4,579	4,337			
Abattoirs	-	-	-	-	-	-	-	-	-	-			
Tourism	-	-	-	-	-	-	-	-	-	-			
Forestry	10,327	11,989	-	-	-	-	-	-	-	-			

2013/14 to 2015/16



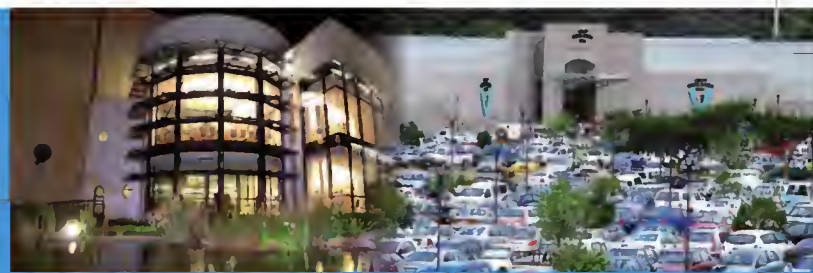
KZN225 Msunduzi - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)											
Standard Classification Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Markets			17,079	17,180	15,438	14,294	15,720	15,720	91,941	95,969	89,746
Total Revenue - Standard		2	2,575,640	2,902,000	3,332,779	2,987,790	3,138,032	3,138,032	3,291,485	3,545,102	3,814,105
Expenditure - Standard											
Municipal governance and administration											
Executive and council			514,290	562,611	488,015	547,848	475,334	475,336	478,471	563,959	439,115
Mayor and Council			-	-	21	71,094	60,050	71,530	63,134	66,337	69,712
Municipal Manager			-	-	-	44,144	34,495	45,974	22,116	23,172	24,280
Budget and treasury office			-	-	21	26,950	25,556	25,556	41,019	43,166	45,432
Corporate services			448,665	477,872	487,363	206,566	140,383	128,906	210,837	327,710	175,252
Human Resources			65,625	84,739	631	270,188	274,900	274,900	204,500	169,912	194,151
Information Technology			10	-	631	25,128	31,783	31,783	41,292	42,809	44,131
Property Services			(6)	-	-	31,876	32,407	32,407	24,947	23,279	29,294
Other Admin			25,762	46,723	-	77,425	73,090	73,090	63,070	57,505	59,007
			39,859	38,017	0	135,759	137,620	137,620	75,191	46,318	61,719
Community and public safety			419,190	403,145	452,941	376,578	386,364	386,364	389,983	424,529	507,342
Community and social services			40,432	44,617	87,882	38,719	53,970	53,970	62,957	65,257	73,555
Libraries and Archives			26,066	31,877	30,153	28,640	42,285	42,285	48,831	50,446	57,746
Museums & Art Galleries etc			4,093	5,831	6,074	4,462	4,357	4,357	5,347	5,582	5,831
Community halls and Facilities			-	-	23,028	-	-	-	-	-	-
Cemeteries & Crematoriums			7,452	6,717	7,140	5,508	6,975	6,975	8,357	8,784	9,512
Child Care			-	-	-	-	-	-	-	-	-
Aged Care			152	172	-	109	127	127	185	196	205
Other Community			-	-	21,488	-	-	-	-	-	-
Other Social			2,669	20	-	-	226	226	237	249	260
Sport and recreation			85,786	94,720	104,373	77,038	72,964	72,964	75,535	79,930	78,277
Public safety			169,146	173,748	171,160	177,669	203,610	203,610	205,998	231,587	305,851
Police			103,220	98,591	101,295	96,603	114,936	114,936	103,558	123,159	187,625
Fire			52,144	58,125	62,824	54,469	58,591	58,591	62,940	66,780	73,930
Civil Defence			5,519	7,225	7,040	7,375	7,523	7,523	8,242	8,666	9,666
Street Lighting			8,263	9,806	-	12,256	12,256	12,256	19,522	20,493	21,658
Other					-	6,966	10,305	10,305	11,736	12,489	12,972
Housing			69,528	34,718	31,956	36,554	20,804	20,804	19,696	20,386	21,120
Health			54,298	55,342	57,570	46,598	35,015	35,015	25,797	27,369	28,539
Clinics			21,167	22,860	25,194	27,647	18,201	18,201	7,041	7,498	7,985
Ambulance			-	-	-	-	-	-	-	-	-
Other			33,131	32,483	32,376	18,951	16,815	16,815	18,756	19,871	20,553
Economic and environmental services			217,935	217,368	317,415	161,452	303,924	303,924	112,986	115,416	96,416



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KZN225 Msunduzi - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)												
Standard Classification Description			Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand			1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Planning and development Economic Development/Planning Town Planning/Building enforcement Licensing & Regulation Road transport Roads				45,815	38,536	54,896	65,668	92,240	92,240	72,383	76,054	78,639
				40,146	33,034	29,949	62,637	88,582	88,582	88,582	68,632	72,061
Public Buses Parking Garages Vehicle Licensing and Testing Other				-	-	19,399	-	-	-	-	-	-
				5,669	5,502	5,548	3,031	3,657	3,657	3,657	3,750	3,993
Environmental protection Pollution Control Biodiversity & Landscape Other				172,120	178,832	262,519	95,784	211,685	211,685	40,603	39,363	17,777
				158,829	165,169	232,648	87,728	147,881	147,881	147,881	29,931	27,537
Trading services Electricity Electricity Distribution Electricity Generation Water Water Distribution Water Storage				10,857	11,076	25,151	6,797	61,711	61,711	8,317	8,845	9,475
				1,017	764	-	8	434	434	434	645	677
Waste water management Sewerage Storm Water Management Public Toilets Waste management Solid Waste				-	-	-	1,251	1,658	1,658	1,710	2,304	2,362
				1,418	1,823	4,719	-	-	-	-	-	-
Other Air Transport Abattoirs Tourism Forestry Markets				-	-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-	-
Other				1,615,560	1,570,083	1,789,592	1,855,665	1,923,119	1,923,119	2,180,746	2,344,110	2,620,053
				1,059,705	936,217	1,144,078	1,215,590	1,215,208	1,215,208	1,215,208	1,482,680	1,587,127
Other				1,059,705	936,217	1,144,078	1,215,590	1,215,208	1,215,208	1,482,680	1,587,127	1,784,637
				336,009	416,245	425,843	476,068	514,614	514,614	514,614	573,488	525,292
Other				336,009	416,245	425,843	476,068	514,614	514,614	573,488	525,292	456,072
				118,086	126,757	116,054	95,019	115,952	115,952	115,952	23,555	127,056
Other				100,823	112,252	116,054	73,504	89,740	89,740	8,951	82,348	126,229
				7,738	6,818	-	15,556	18,487	18,487	18,487	14,605	44,708
Other				9,525	7,687	-	5,958	7,724	7,724	-	-	-
				101,761	90,864	103,617	68,988	77,345	77,345	77,345	101,024	104,635
Other				101,761	90,864	103,617	68,988	77,345	77,345	101,024	104,635	110,728
				39,914	53,980	45,086	41,102	40,498	40,497	62,713	32,531	101,177
Other				11,034	11,613	12,063	10,312	12,290	12,290	269	11,484	9,562
				-	-	-	-	-	-	-	-	-
Other				-	-	-	-	-	-	-	-	-
				9,304	10,602	40	370	308	308	308	62,444	20,626
Other				19,577	31,765	32,983	30,421	27,901	27,899	62,444	20,626	91,570
				19,577	31,765	32,983	30,421	27,901	27,899	62,444	20,626	91,570

2013/14 to 2015/16



KZN225 Msunduzi - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)										
Standard Classification Description	Ref	2009/10			2010/11			2011/12		
		Audited Outcome			Audited Outcome			Audited Outcome		
R thousand										
	1									
Total Expenditure - Standard	3									
Surplus/(Deficit) for the year										

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison
2. Total Revenue by Standard Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure)
4. All amounts must be classified under a Standard (modified GFS) classification. The GFS function 'Other' is only for Abbatoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote	1									
Vote 1 - Corporate Services		15,487	8,268	20,175	2,920	24,847	24,847	24,112	24,459	23,050
Vote 2 - Financial Management Area		960,999	1,006,732	1,557,472	643,041	853,883	853,883	948,138	934,650	1,032,209
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		1,548,538	1,810,650	1,680,967	2,298,991	2,201,636	2,201,636	2,260,701	2,526,618	2,702,891
Vote 4 - Sustainable Community Service Delivery Provision Management		50,616	76,349	74,165	42,837	57,666	57,666	58,533	59,375	55,955
Vote 5 - (NAME OF VOTE 5)		-	-	-	-	-	-	-	-	-
Vote 6 - (NAME OF VOTE 6)		-	-	-	-	-	-	-	-	-
Vote 7 - (NAME OF VOTE 7)		-	-	-	-	-	-	-	-	-
Vote 8 - (NAME OF VOTE 8)		-	-	-	-	-	-	-	-	-
Vote 9 - (NAME OF VOTE 9)		-	-	-	-	-	-	-	-	-
Vote 10 - (NAME OF VOTE 10)		-	-	-	-	-	-	-	-	-
Vote 11 - (NAME OF VOTE 11)		-	-	-	-	-	-	-	-	-
Vote 12 - (NAME OF VOTE 12)		-	-	-	-	-	-	-	-	-
Vote 13 - (NAME OF VOTE 13)		-	-	-	-	-	-	-	-	-
Vote 14 - (NAME OF VOTE 14)		-	-	-	-	-	-	-	-	-
Vote 15 - (NAME OF VOTE 15)		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,575,640	2,902,000	3,332,779	2,987,790	3,138,032	3,138,032	3,291,485	3,545,102	3,814,105
Expenditure by Vote to be appropriated	1									
Vote 1 - Corporate Services		16,912	19,009	22,373	241,789	267,727	267,727	285,544	312,317	340,422
Vote 2 - Financial Management Area		470,475	493,683	507,856	243,368	164,160	164,160	244,421	120,177	271,645
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		1,928,048	1,849,196	2,099,834	2,088,990	2,279,080	2,279,080	2,284,628	2,598,914	2,541,700
Vote 4 - Sustainable Community Service Delivery Provision Management		391,455	445,299	462,986	408,500	418,272	418,272	410,306	449,137	610,337
Vote 5 - (NAME OF VOTE 5)		-	-	-	-	-	-	-	-	-
Vote 6 - (NAME OF VOTE 6)		-	-	-	-	-	-	-	-	-
Vote 7 - (NAME OF VOTE 7)		-	-	-	-	-	-	-	-	-
Vote 8 - (NAME OF VOTE 8)		-	-	-	-	-	-	-	-	-
Vote 9 - (NAME OF VOTE 9)		-	-	-	-	-	-	-	-	-
Vote 10 - (NAME OF VOTE 10)		-	-	-	-	-	-	-	-	-
Vote 11 - (NAME OF VOTE 11)		-	-	-	-	-	-	-	-	-
Vote 12 - (NAME OF VOTE 12)		-	-	-	-	-	-	-	-	-

2013/14 to 2015/16



KZN225 Msunduzi - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)											
Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework				
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
Vote 13 - (NAME OF VOTE 13)		-	-	-	-	-	-	-	-	-	-
Vote 14 - (NAME OF VOTE 14)		-	-	-	-	-	-	-	-	-	-
Vote 15 - (NAME OF VOTE 15)		-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,806,890	2,807,186	3,093,048	2,982,646	3,129,239	3,129,239	3,224,899	3,480,545	3,764,104	
Surplus/(Deficit) for the year	2	(231,250)	94,814	239,731	5,144	8,793	8,793	66,586	64,557	50,001	

References

1. Insert 'Vote'; e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)A											
Vote Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote		1									
Vote 1 - Corporate Services			15,487	8,268	20,175	2,920	24,847	24,847	24,112	24,459	23,050
1.1 - Council and Committee Support			475	44	336	-	555	555	560	568	535
1.2 - Enterprise Wide Risk Management & Audit and Compliance			-	5		-					
1.3 - Human Resources Management			13,245	1,075	3,148	2,763	3,064	3,064	3,089	3,134	2,953
1.4 - Legislative Compliance			22	729	45	11	546	546	550	558	526
1.5 - Local Economic Development Management			976	5,857	16,477	-	19,637	19,637	19,800	20,085	18,928
1.6 - Management Information Services			757	14	9	12	942	942	8	8	8
1.7 - Marketing and Public Relations Management			12	544	160	135	104	104	105	106	100
Vote 2 - Financial Management Area			960,999	1,006,732	1,557,472	643,041	853,883	853,883	948,138	934,650	1,032,209
2.1 - Budget & Treasury Management			69,487	20	445,215	0	2	2			
2.2 - Expenditure Management			769	630	601	310	309	309	312	317	298
2.3 - Financial Control and Cash Management			1,219	506	2,323	2,619	1,814	1,814	1,829	1,855	1,748
2.4 - Revenue Management			889,491	1,005,364	1,109,064	639,825	851,470	851,470	945,706	932,183	1,029,884
2.5 - Supply Chain Management			33	212	268	287	288	288	291	295	278
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management			1,548,538	1,810,650	1,680,967	2,298,991	2,201,636	2,201,636	2,260,701	2,526,618	2,702,891
3.1 - Electricity distribution Management			945,463	1,068,562	822,781	1,557,309	1,445,549	1,445,549	1,617,257	1,659,471	1,656,980
3.2 - Human Settlement Development Management			58,044	3,991	7,002	14,123	3,592	3,592	3,622	3,674	5,330
3.3 - Municipal Infrastructure Planning, Funding, Maintenance and Development Management			13,813	11,374	8,705	9,961	10,150	10,150	10,234	10,382	9,784
3.4 - Roads and Stormwater			13,808	33,596	73,812	6,176	58,099	58,099	66,306	67,260	63,385
3.5 - Waste Management			65,559	81,349	97,153	138,744	85,832	85,832	89,182	90,466	105,254
3.6 - Water Distribution and Sanitation Management			451,852	611,778	671,514	572,678	598,414	598,414	474,100	695,366	862,158
Vote 4 - Sustainable Community Service Delivery Provision Management			50,616	76,349	74,165	42,837	57,666	57,666	58,533	59,375	55,955
4.1 - Community Services Provision Management			32,973	36,439	37,674	29,047	20,068	20,068	20,235	20,526	19,344
4.2 - Public Safety, Enforcement and Disaster Management			9,652	7,818	5,999	5,617	6,045	6,045	6,095	6,183	5,827
4.3 - Regional Community Services Provision Management			7,990	32,093	30,492	8,174	31,553	31,553	32,202	32,666	30,784

2013/14 to 2015/16



KZN225 Msunduzi - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)A										
Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Total Revenue by Vote	2	2,575,640	2,902,000	3,332,779	2,987,790	3,138,032	3,138,032	3,291,485	3,545,102	3,814,105
Expenditure by Vote	1									
Vote 1 - Corporate Services		16,912	19,009	22,373	241,789	267,727	267,727	285,544	312,317	340,422
1.1 - Council and Committee Support		47	131	144	55,556	63,721	63,721	67,201	73,503	80,117
1.2 - Enterprise Wide Risk Management & Audit and Compliance				3,820	4,373	10,129	10,129	10,839	11,855	12,922
1.3 - Human Resources Management		3,595		-	12,152	17,328	17,328	18,546	20,285	22,110
1.4 - Legislative Compliance		171	934	447	85,971	71,673	71,673	76,711	83,903	91,454
1.5 - Local Economic Development Management		466	9,019	8,678	11,391	33,819	33,819	36,196	39,590	43,153
1.6 - Management Information Services		12,638		-	33,482	34,243	34,243	36,649	40,086	43,693
1.7 - Marketing and Public Relations Management		(6)	8,924	9,283	38,864	36,814	36,814	39,401	43,095	46,973
Vote 2 - Financial Management Area		470,475	493,683	507,856	243,368	164,160	164,160	244,421	120,177	271,645
2.1 - Budget & Treasury Management				-	12,697	4,321	4,321	4,625	5,059	5,664
2.2 - Expenditure Management		4,328	2,789	3,308	9,871	12,057	12,057	12,904	14,114	15,384
2.3 - Financial Control and Cash Management		(7)	(25)	-	26,940	29,095	29,095	31,139	34,059	37,124
2.4 - Revenue Management		449,558	490,919	485,710	167,749	89,936	89,936	164,980	33,288	176,787
2.5 - Supply Chain Management		16,596	-	18,837	26,111	28,751	28,751	30,772	33,657	36,686
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		1,928,048	1,849,196	2,099,834	2,088,990	2,279,080	2,279,080	2,284,628	2,598,914	2,541,700
3.1 - Electricity distribution Management		1,067,969	946,336	1,144,078	1,227,846	1,227,379	1,227,379	1,124,281	1,344,173	1,388,135
3.2 - Human Settlement Development Management		101,262	9,323	45,294	15,366	8,437	8,437	9,030	9,877	10,765
3.3 - Municipal Infrastructure Planning, Funding, Maintenance and Development Management		37,449	72,167	46,161	92,405	96,148	96,148	102,906	112,555	122,683
3.4 - Roads and Stormwater		170,311	200,399	233,112	161,738	290,647	290,647	319,271	349,207	348,248
3.5 - Waste Management		111,280	165,721	175,440	126,784	143,006	143,006	155,854	170,467	185,807
3.6 - Water Distribution and Sanitation Management		439,777	455,249	455,749	464,849	513,463	513,463	573,286	612,636	486,062



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)A											
Vote Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Vote 4 - Sustainable Community Service Delivery Provision Management			391,455	445,299	462,986	408,500	418,272	418,272	410,306	449,137	610,337
4.1 - Community Services Provision Management			129,478	166,656	179,363	156,318	138,008	138,008	147,707	161,557	176,095
4.2 - Public Safety, Enforcement and Disaster Management			166,485	169,430	176,699	161,474	184,705	184,705	160,324	150,716	222,953
4.3 - Regional Community Services Provision Management			95,492	109,213	106,925	90,707	95,559	95,559	102,275	136,864	211,289
Total Expenditure by Vote	2	2	2,806,890	2,807,186	3,093,048	2,982,646	3,129,239	3,129,239	3,224,899	3,480,545	3,764,104
Surplus/(Deficit) for the year	2	2	(231,250)	94,814	239,731	5,144	8,793	8,793	66,586	64,557	50,001

References

1. Insert 'Vote'; e.g. Department, if different to standard structure
2. Must reconcile to Financial Performance ('Revenue and Expenditure by Standard Classification' and 'Revenue and Expenditure')
3. Assign share in 'associate' to relevant Vote

2013/14 to 2015/16



KZN225 Msunduzi - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	420,030	448,257	505,310	576,402	576,402	576,402	576,402	607,308	664,116	701,442
Property rates - penalties & collection charges		20,285	26,358	31,244	33,812	47,501	47,501	47,501	37,363	38,857	40,800
Service charges - electricity revenue	2	816,173	1,011,459	1,212,660	1,416,917	1,417,115	1,417,115	1,417,115	1,558,827	1,714,709	1,886,180
Service charges - water revenue	2	213,633	270,107	288,345	317,354	339,545	339,545	339,545	378,445	398,902	420,454
Service charges - sanitation revenue	2	76,207	102,592	107,507	114,000	125,263	125,263	125,263	132,153	139,281	146,795
Service charges - refuse revenue	2	53,287	65,559	70,091	78,752	73,547	73,547	73,547	77,592	81,841	86,311
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		15,571	17,313	17,944	19,534	23,949	23,949	23,948	20,255	22,889	25,787
Interest earned - external investments		6,757	13,752	25,907	12,100	18,356	18,356	18,357	27,029	27,454	28,519
Interest earned - outstanding debtors		21,161	38,044	65,794	-	1,152	1,152	1,152	1,255	1,292	1,318
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		7,084	5,354	3,813	3,475	3,566	3,566	3,566	3,634	3,830	4,037
Licences and permits		72	89	78	74	44	44	44	48	50	53
Agency services		1,435	577	374	382	533	533	533	586	592	603
Transfers recognised - operational		355,033	385,630	500,669	365,204	422,369	422,369	422,369	383,848	402,067	422,980
Other revenue	2	568,910	516,909	503,043	49,785	88,689	88,689	88,689	48,011	49,222	48,825
Gains on disposal of PPE									15,131		
Total Revenue (excluding capital transfers and contributions)		2,575,640	2,902,000	3,332,779	2,987,790	3,138,032	3,138,032	3,138,031	3,291,485	3,545,102	3,814,104
Expenditure By Type											
Employee related costs	2	626,885	634,106	666,198	713,415	731,928	731,928	731,928	779,721	819,440	861,792
Remuneration of councillors		19,386	18,418	31,427	34,000	34,001	34,000	34,000	36,419	38,422	40,535
Debt impairment	3	250,540	96,000	58,210	250,342	250,342	250,342	250,342	137,510	130,634	124,103
Depreciation & asset impairment	2	124,044	253,485	273,650	158,000	158,000	158,000	158,000	222,212	256,533	282,183
Finance charges		75,273	71,568	72,134	77,500	70,831	70,831	70,831	64,600	59,255	54,480
Bulk purchases	2	804,979	994,366	1,217,335	1,382,923	1,406,504	1,406,504	1,406,504	1,493,890	1,650,634	1,770,060
Other materials	8	-	-	-	14,154	19,046	19,046	19,046	23,861	25,220	25,658
Contracted services		-	-	67,803	56,948	65,754	65,754	65,754	57,176	59,886	61,919
Transfers and grants		4,342	3,967	4,144	4,500	4,500	4,500	4,500	5,027	5,274	5,563
Other expenditure	4, 5	903,640	735,314	702,148	290,862	388,332	388,334	388,334	404,483	435,248	537,811
Loss on disposal of PPE		(2,199)	(37)	-	-	-	-	-	-	-	-
Total Expenditure		2,806,890	2,807,186	3,093,048	2,982,646	3,129,239	3,129,239	3,129,240	3,224,899	3,480,545	3,764,103



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Surplus/(Deficit)		(231,250)	94,814	239,731	5,144	8,793	8,792	8,792	66,586	64,557	50,001
Transfers recognised - capital		78,407	84,654	148,674	230,014	216,719	216,719	216,719	383,158	204,271	202,390
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391
Taxation											
Surplus/(Deficit) after taxation		(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	449,744	268,828	252,391

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method

2013/14 to 2015/16



KZN225 Msunduzi - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Corporate Services		7,373	3,552	12,689	-	-	-	-	2,500	5,000	2,800
Vote 2 - Financial Management Area		4,975	152	35	-	-	-	-	-	-	-
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		130,572	91,807	194,877	163,117	149,684	149,684	149,684	379,546	201,532	137,067
Vote 4 - Sustainable Community Service Delivery Provision Management		33,113	15,638	15,963	32,815	28,260	28,260	28,260	-	-	-
Vote 5 - (NAME OF VOTE 5)		-	-	-	-	-	-	-	-	-	-
Vote 6 - (NAME OF VOTE 6)		-	-	-	-	-	-	-	-	-	-
Vote 7 - (NAME OF VOTE 7)		-	-	-	-	-	-	-	-	-	-
Vote 8 - (NAME OF VOTE 8)		-	-	-	-	-	-	-	-	-	-
Vote 9 - (NAME OF VOTE 9)		-	-	-	-	-	-	-	-	-	-
Vote 10 - (NAME OF VOTE 10)		-	-	-	-	-	-	-	-	-	-
Vote 11 - (NAME OF VOTE 11)		-	-	-	-	-	-	-	-	-	-
Vote 12 - (NAME OF VOTE 12)		-	-	-	-	-	-	-	-	-	-
Vote 13 - (NAME OF VOTE 13)		-	-	-	-	-	-	-	-	-	-
Vote 14 - (NAME OF VOTE 14)		-	-	-	-	-	-	-	-	-	-
Vote 15 - (NAME OF VOTE 15)		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	176,033	111,149	223,563	195,932	177,944	177,944	177,944	382,046	206,532	139,867
Single-year expenditure to be appropriated	2										
Vote 1 - Corporate Services		-	-	-	5,150	12,782	12,782	12,782	3,100	-	-
Vote 2 - Financial Management Area		-	-	-	-	3,424	3,424	3,424	7,000	12,000	13,000
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		-	-	-	15,636	92,993	92,993	92,993	42,702	42,939	98,323
Vote 4 - Sustainable Community Service Delivery Provision Management		-	-	-	13,296	22,613	22,613	22,613	8,310	2,800	1,200
Vote 5 - (NAME OF VOTE 5)		-	-	-	-	-	-	-	-	-	-
Vote 6 - (NAME OF VOTE 6)		-	-	-	-	-	-	-	-	-	-
Vote 7 - (NAME OF VOTE 7)		-	-	-	-	-	-	-	-	-	-
Vote 8 - (NAME OF VOTE 8)		-	-	-	-	-	-	-	-	-	-
Vote 9 - (NAME OF VOTE 9)		-	-	-	-	-	-	-	-	-	-
Vote 10 - (NAME OF VOTE 10)		-	-	-	-	-	-	-	-	-	-
Vote 11 - (NAME OF VOTE 11)		-	-	-	-	-	-	-	-	-	-



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Vote 12 - (NAME OF VOTE 12)		-	-	-	-	-	-	-	-	-	-
Vote 13 - (NAME OF VOTE 13)		-	-	-	-	-	-	-	-	-	-
Vote 14 - (NAME OF VOTE 14)		-	-	-	-	-	-	-	-	-	-
Vote 15 - (NAME OF VOTE 15)		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		176,033	111,149	223,563	34,082	131,812	131,812	131,812	61,112	57,739	112,523
Capital Expenditure - Standard					230,014	309,756	309,756	309,756	443,158	264,271	252,390
Governance and administration											
Executive and council		15,401	7,557	12,723	10,300	14,369	14,369	14,369	30,760	27,000	25,840
Budget and treasury office		41	235		4,150	4,395	4,395	4,395	-	-	-
Corporate services		15,360	7,323	35	6,150	9,574	9,574	9,574	30,760	27,000	25,840
Community and public safety		26,301	612	12,838	26,146	23,148	23,148	23,148	4,500	2,800	1,200
Community and social services		4,090	436	12,620	13,500	11,790	11,790	11,790	2,800	2,800	1,200
Sport and recreation		943	-		7,100	9,100	9,100	9,100	1,700	-	-
Public safety		18,103	165	218	-	1,212	1,212	1,212	-	-	-
Housing		2,370	11		4,500	-	-	-	-	-	-
Health		794	-		1,046	1,046	1,046	1,046	-	-	-
Economic and environmental services		34,816	46,382	84,650	78,748	64,302	64,302	64,302	163,976	64,120	28,400
Planning and development		2,235	-	59	-	6,987	6,987	6,987	2,700	-	-
Road transport		32,581	46,382	84,591	78,748	57,315	57,315	57,315	161,276	64,120	28,400
Environmental protection											
Trading services		95,412	45,413	110,227	95,505	185,362	185,362	185,362	241,112	170,351	196,950
Electricity		21,459	16,592	26,696	9,083	96,940	96,940	96,940	151,500	59,372	42,210
Water		16,850	12,860	63,324	43,169	45,169	45,169	45,169	34,425	58,879	83,840
Waste water management		53,477	15,491	20,206	41,200	41,200	41,200	41,200	47,097	44,600	63,400
Waste management		3,626	471		2,053	2,053	2,053	2,053	8,091	7,500	7,500
Other		4,104	11,184	3,125	19,315	22,575	22,575	22,575	2,810	-	-
Total Capital Expenditure - Standard	3	176,033	111,149	223,563	230,014	309,756	309,756	309,756	443,158	264,271	252,390
Funded by:											
National Government		77,037	73,020	123,053	208,599	160,485	160,485	160,485	383,158	204,271	202,390
Provincial Government		1,371	11,429	25,621	21,415	56,234	56,234	56,234	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	205	-	-	-	-	-	-	-	-

2013/14 to 2015/16



KZN225 Msunduzi - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding												
Vote Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Transfers recognised - capital Public contributions & donations Borrowing		4	78,407	84,654	148,674	230,014	216,719	216,719	216,719	383,158	204,271	202,390
		5	-	-	-	-	135	135	135	-	-	-
		6	97,626	26,495	-	-	47,075	47,075	47,075	47,075	-	-
Internally generated funds			-	-	74,889	-	45,827	45,827	45,827	60,000	60,000	50,000
Total Capital Funding		7	176,033	111,149	223,563	230,014	309,756	309,756	309,756	443 159	264,271	252,390

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
3. Capital expenditure by standard classification must reconcile to the appropriations by vote
4. Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
5. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
7. Total Capital Funding must balance with Total Capital Expenditure
8. Include any capitalised interest (MFMA section 46) as part of relevant capital budget



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding												
Vote Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
	R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure - Municipal Vote		2										
Multi-year expenditure appropriation												
Vote 1 - Corporate Services			7,373	3,552	12,689	-	-	-	-	2,500	5,000	2,800
1.1 - Council and Committee Support			41	-	-					-	-	-
1.2 - Enterprise Wide Risk Management & Audit and Compliance				-	-					-	-	-
1.3 - Human Resources Management			9	-	-					-	-	-
1.4 - Legislative Compliance				-	13					-	-	-
1.5 - Local Economic Development Management			980	281	11,702					-	-	-
1.6 - Management Information Services			633	-	974					-	-	-
1.7 - Marketing and Public Relations Management			5,711	3,271	-					2,500	500	2,800
Vote 2 - Financial Management Area			4,975	152	35	-	-	-	-	-	-	-
2.1 - Budget & Treasury Management			4,600	-	35					-	-	-
2.2 - Expenditure Management			350	152	-					-	-	-
2.3 - Financial Control and Cash Management			-	-	-					-	-	-
2.4 - Revenue Management			-	-	-					-	-	-
2.5 - Supply Chain Management			25	-	-					-	-	-
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management			130,572	91,807	194,877	163,117	149,684	149,684	149,684	379,546	201,532	137,067
3.1 - Electricity distribution Management			21,459	16,592	26,696	-	8,000	8,000	8,000	143,500	54,372	32,210
3.2 - Human Settlement Development Management			2,503	11	-	-	-	-	-	-	-	-
3.3 - Municipal Infrastructure Planning, Funding, Maintenance and Development Management			76	-	59	-	-	-	-	-	-	-
3.4 - Roads and Stormwater			32,581	46,382	84,591	78,748	57,315	57,315	57,315	159,405	48,870	19,700
3.5 - Waste Management			3,945	471	20,206	-	-	-	-	8,091	7,500	7,500
3.6 - Water Distribution and Sanitation Management			70,008	28,351	63,324	84,369	84,369	84,369	84,369	68,550	90,790	77,657
Vote 4 - Sustainable Community Service Delivery Provision Management			33,113	15,638	15,963	32,815	28,260	28,260	28,260	-	-	-
4.1 - Community Services Provision Management			7,625	3,934	3,125	-	-	-	-	-	-	-

2013/14 to 2015/16



KZN225 Msunduzi - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
4.2 - Public Safety, Enforcement and Disaster Management		18,103	165	218	-	-	-	-	-	-	-
4.3 - Regional Community Services Provision Management		7,385	11,539	12,620	32,815	28,260	28,260	28,260	-	-	-
Capital multi-year expenditure sub-total		176,033	111,149	223,563	195,932	177,944	177,944	177,944	382,046	206,532	139,867



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A6 Consolidated Budgeted Financial Position											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS											
Current assets											
Cash		138,024	293,827	22,574	61,417	61,417	61,417	61,417	64,672	67,841	1,062,840
Call investment deposits	1	118,689	282,404	561,104	511,892	648,239	648,239	648,239	539,022	565,434	593,706
Consumer debtors	1	214,804	352,890	542,688	737,498	737,498	737,498	737,498	690,704	937,055	811,384
Other debtors		(85,141)	(267,508)	10,337	8,254	8,254	8,254	8,254	7,354	7,104	21,393
Current portion of long-term receivables		-	-	-	43,584	43,584	43,584	43,584	45,175	42,691	42,101
Inventory	2	62,079	57,922	57,007	53,720	53,720	53,720	53,720	56,567	59,339	77,513
Total current assets		448,454	719,535	1,193,710	1,416,365	1,552,712	1,552,712	1,552,712	1,403,494	1,679,462	2,608,937
Non current assets											
Long-term receivables		-	-	-	7,963	7,963	7,963	7,963	8,385	8,796	8,959
Investments					66	66	66	66	69	73	
Investment property		411,492	405,306	381,012	405,306	405,306	405,306	405,306	405,306	405,306	405,306
Investment in Associate											
Property, plant and equipment	3	6,344,394	6,397,646	6,361,643	6,708,834	6,708,834	6,708,834	6,708,834	6,504,318	6,479,146	6,661,730
Agricultural											
Biological					543	543	543	543	543	543	
Intangible		6,465	7,283	3,459	7,283	7,283	7,283	7,283	5,088	2,890	7,282
Other non-current assets		4,190	6,695	8,181							
Total non current assets		6,766,541	6,816,930	6,754,296	7,129,993	7,129,994	7,129,994	7,129,994	6,923,709	6,896,753	7,083,277
TOTAL ASSETS		7,214,996	7,536,465	7,948,006	8,546,358	8,682,706	8,682,706	8,682,706	8,327,203	8,576,215	9,692,214
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	3,443	2,861	43,584	43,584	43,584	43,584	43,584	38,030	36,129	34,323
Consumer deposits		35,794	70,633	71,648	70,829	70,829	70,829	70,829	73,941	77,564	94,523
Trade and other payables	4	533,847	527,157	601,139	262,607	262,607	262,607	262,607	618,107	308,538	326,176
Provisions		761	282	2,560							582
Total current liabilities		573,844	600,934	718,931	377,021	377,021	377,021	377,021	730,078	422,230	455,604
Non current liabilities											
Borrowing		570,129	518,942	577,963	647,309	647,309	647,309	647,309	573,000	503,000	430,000
Provisions		154,721	232,001	308,270	2,585	2,585	2,585	2,585	-	-	-
Total non current liabilities		724,850	750,943	886,232	649,894	649,894	649,894	649,894	573,000	503,000	430,000

2013/14 to 2015/16



KZN225 Msunduzi - Table A6 Consolidated Budgeted Financial Position											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
TOTAL LIABILITIES		1,298,694	1,351,876	1,605,163	1,026,915	1,026,915	1,026,915	1,026,915	1,303,078	925,230	885,604
NET ASSETS	5	5,916,302	6,184,589	6,342,843	7,519,443	7,655,791	7,655,791	7,655,791	7,024,125	7,650,985	8,806,610
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		5,863,822	6,131,375	6,287,317	7,466,185	7,602,533	7,602,533	7,602,533	7,706,195	7,592,156	8,753,396
Reserves	4	52,480	53,214	55,526	53,258	53,258	53,258	53,258	56,081	58,829	53,214
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	5,916,302	6,184,589	6,342,843	7,519,443	7,655,791	7,655,791	7,655,791	7,762,276	7,650,985	8,806,610

References

1. Detail to be provided in Table SA3
2. Include completed low cost housing to be transferred to beneficiaries within 12 months
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
5. Net assets must balance with Total Community Wealth/Equity



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A7 Consolidated Budgeted Cash Flows											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		1,969,438	2,356,073	2,799,143	2,360,144	3,001,215	3,001,215	3,001,215	2,466,204	2,941,311	3,124,741
Government - operating	1	-	-	-	365,204	422,170	422,170	422,170	383,848	424,310	395,917
Government - capital	1	-	-	-	230,014	263,929	263,929	263,929	383,158	194,271	192,390
Interest		27,918	51,796	91,701	12,100	18,357	18,357	18,357	27,029	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(1,885,516)	(1,855,618)	(2,382,379)	(2,642,049)	(3,216,664)	(3,216,664)	(3,216,664)	(2,795,550)	(3,211,793)	(3,511,794)
Finance charges		(73,754)	(71,568)	(72,134)	(77,500)	(70,831)	(70,831)	(70,831)	(64,600)	(59,255)	(54,480)
Transfers and Grants	1	-	-	-	(4,500)	(4,500)	(4,500)	(4,500)	(5,027)	(5,274)	(5,563)
NET CASH FROM/(USED) OPERATING ACTIVITIES		38,087	480,683	436,331	243,413	413,676	413,676	413,676	395,062	283,570	141,211
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		1,937	11,072	1,529	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	(2,505)	(1,487)	-	-	-	-	-	-	(620)
Decrease (Increase) other non-current receivables		503	(111,994)	(358,811)	(1,566)	-	(1,566)	(1,566)	(422)	(411)	-
Decrease (Increase) in non-current investments		122,675	-	-	2,096	-	2,096	2,096	(3)	(4)	-
Payments											
Capital assets		(154,962)	(199,406)	148,383	(230,014)	(263,929)	(263,929)	(263,929)	(285,394)	(194,271)	(192,390)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(29,847)	(302,834)	(210,387)	(229,484)	(263,929)	(263,399)	(263,399)	(285,819)	(194,686)	(193,010)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		(50,000)	-	-	-	-	-	-	-	-	(42,870)
Borrowing long term/refinancing		226,095	(56,885)	62,582	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		986	34,839	1,014	(14)	(14)	(14)	(14)	3,722	3,623	5,350
Payments											
Repayment of borrowing		(37,490)	-	-	(19,729)	(19,729)	(19,729)	(19,729)	(45,175)	37,022	270,665
NET CASH FROM/(USED) FINANCING ACTIVITIES		139,592	(22,046)	63,596	(19,743)	(19,743)	(19,743)	(19,743)	(41,453)	40,645	233,145
NET INCREASE/ (DECREASE) IN CASH HELD		147,832	155,803	289,540	(5,814)	130,004	130,534	130,534	67,790	129,529	181,346
Cash/cash equivalents at the year begin:	2	112,867	260,699	416,502	706,042	700,228	700,228	700,228	830,762	898,552	1,028,081
Cash/cash equivalents at the year end:	2	260,699	416,502	706,042	700,228	830,232	830,762	830,762	898,552	1,028,081	1,209,427

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities
2. Cash equivalents includes investments with maturities of 3 months or less

2013/14 to 2015/16



KZN225 Msunduzi - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation												
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available												
Cash/cash equivalents at the year end		1	260,699	416,502	706,042	700,228	830,232	830,762	830,762	898,552	1,028,081	1,209,427
Other current investments > 90 days			(3,986)	159,729	(122,364)	(126,920)	(120,576)	(121,106)	(121,106)	(294,859)	(394,807)	447,119
Non current assets - Investments		1	-	-	-	66	66	66	66	69	73	-
Cash and investments available:			256,713	576,231	583,678	573,374	709,722	709,722	709,722	603,763	633,347	1,656,546
Application of cash and investments												
Unspent conditional transfers			140,882	121,164	149,448	-	-	-	-	97,764	-	-
Unspent borrowing			570,129	518,942	577,963	647,309	-	647,309	-	573,000	503,000	430,000
Statutory requirements		2										
Other working capital requirements		3	255,104	284,053	(152,601)	(497,969)	(655,171)	(655,171)	(655,172)	(171,000)	(678,531)	(547,807)
Other provisions												
Long term investments committed		4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		5								57,323		
Total Application of cash and investments:			966,114	924,159	574,809	149,341	(655,171)	(7,861)	(655,172)	557,087	(175,531)	(117,807)
Surplus(shortfall)			(709,402)	(347,927)	8,869	424,033	1,364,892	717,583	1,364,893	46,676	808,878	1,774,353

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves



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KZN225 Msunduzi - Table A9 Consolidated Asset Management											
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CAPITAL EXPENDITURE											
Total New Assets		1	176,033	22,327	-	110,102	135,653	135,653	174,300	76,342	61,990
Infrastructure - Road transport			32,581	10,753	-	45,000	-	-	4,780	3,250	1,200
Infrastructure - Electricity			21,459	5,482	-	4,083	53,096	53,096	131,000	38,392	21,000
Infrastructure - Water			16,850	886	-	25,419	27,419	27,419	6,250	10,000	10,000
Infrastructure - Sanitation			-	1,055	-	-	-	-	2,000	2,000	6,000
Infrastructure - Other			55,604	-	-	15,000	15,000	15,000	-	-	-
Infrastructure			126,494	18,176	-	89,502	95,515	95,515	144,030	53,642	38,200
Community			33,175	80	-	20,600	36,069	36,069	-	-	-
Heritage assets			5,711	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6	10,654	4,070	-	-	4,069	4,069	30,270	22,700	23,790
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets		2	95,810	88,822	-	119,912	174,103	174,103	268,858	187,929	190,400
Infrastructure - Road transport			25,990	35,629	-	33,748	57,315	57,315	138,495	60,870	27,200
Infrastructure - Electricity			4,900	11,109	-	5,000	39,584	39,584	30,500	16,380	21,210
Infrastructure - Water			27,507	11,974	-	17,750	17,750	17,750	27,925	48,879	73,490
Infrastructure - Sanitation			37,413	14,436	-	26,200	26,200	26,200	44,797	42,200	57,000
Infrastructure - Other			-	471	-	2,053	2,053	2,053	8,091	7,500	7,500
Infrastructure			95,810	73,619	-	84,751	142,902	142,902	249,808	175,829	186,400
Community			-	420	-	10,300	8,300	8,300	4,500	2,800	1,200
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6	-	14,782	-	24,861	22,901	22,901	14,550	9,300	2,800
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
Total Capital Expenditure		4	58,571	46,382	-	78,748	57,315	57,315	143,275	64,120	28,400
Infrastructure - Road transport			26,359	16,592	-	9,083	92,680	92,680	161,500	54,772	42,210
Infrastructure - Electricity			44,357	12,860	-	43,169	45,169	45,169	34,175	58,879	83,490
Infrastructure - Water											

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KZN225 Msunduzi - Table A9 Consolidated Asset Management										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Infrastructure - Sanitation		37,413	15,491	-	26,200	26,200	26,200	46,797	44,200	63,000
Infrastructure - Other		55,604	471	-	17,053	17,053	17,053	8,091	7,500	7,500
Infrastructure		222,304	91,796	-	174,253	238,417	238,417	393,838	229,471	224,600
Community		33,175	500	-	30,900	44,369	44,369	4,500	2,800	1,200
Heritage assets		5,711	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		10,654	18,853	-	24,861	26,970	26,970	44,820	32,000	26,590
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	271,843	111,149	-	230,014	309,756	309,756	443,158	264,271	252,390
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	1,732,723	1,791,861	1,798,801	1,909,947	3,422,557	3,422,557	1,803,653	1,815,754	2,034,644
Infrastructure - Electricity		1,339,526	1,227,314	1,227,562	1,279,037	1,295,792	1,295,792	1,433,474	1,456,283	1,458,274
Infrastructure - Water		838,634	900,288	909,907	935,919	908,017	908,017	944,423	973,995	1,026,596
Infrastructure - Sanitation		488,307	545,536	571,449	610,703	581,743	581,743	619,164	648,548	695,211
Infrastructure - Other		470,758	516,457	501,919	484,991	500,724	500,724	507,204	506,999	506,795
Infrastructure		4,869,949	4,981,456	5,009,639	5,220,596	6,708,834	6,708,834	5,307,918	5,401,579	5,721,519
Community		528,327	498,059	468,970	573,751			415,343	372,106	321,765
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		411,492	405,306	381,012	405,306	405,306	405,306	405,306	405,306	405,306
Other assets		823,531	918,203	883,141	914,487			781,057	705,461	618,446
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	543	543	543	543	543	-
Intangibles		6,465	7,283	3,459	7,283	7,283	7,283	5,088	2,890	7,282
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	6,639,765	6,810,307	6,746,220	7,121,965	7,121,965	7,121,965	6,915,255	6,887,885	7,074,318
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		124,044	253,485	273,650	158,000	158,000	158,000	222,212	256,533	282,183
Repairs and Maintenance by Asset Class	3	118,194	65,648	39,510	89,185	89,288	89,288	94,956	99,267	130,406
Infrastructure - Road transport		32,919	1,596	3,392	5,361	5,361	5,361	7,094	7,548	7,729
Infrastructure - Electricity		23,195	31,949	13,726	24,992	26,526	26,526	48,014	51,432	54,071
Infrastructure - Water		19,258	345	1,216	746	746	746	1,554	1,632	1,728
Infrastructure - Sanitation		-	8,254	-	-	-	-	502	531	561



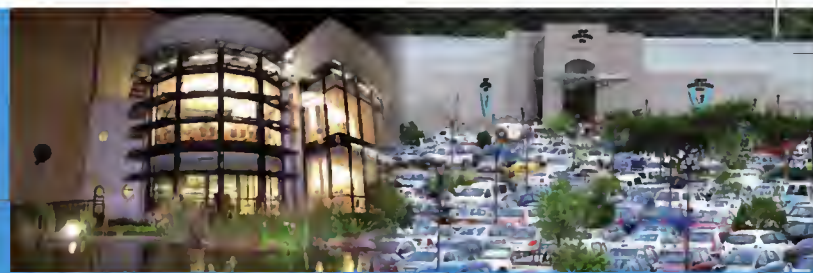
MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Table A9 Consolidated Asset Management											
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Infrastructure - Other Infrastructure Community Heritage assets Investment properties Other assets			435	405	6,862	86	86	86	-	-	-
			75,807	42,549	25,196	31,185	32,719	32,719	57,165	61,144	64,090
			1,974	3,218	9,015	2,074	2,486	2,486	-	-	-
			-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-
		6, 7	40,413	19,881	5,298	55,926	54,083	54,083	37,792	38,123	66,317
TOTAL EXPENDITURE OTHER ITEMS			242,237	319,133	313,160	247,185	247,288	247,288	317,168	355,800	412,589
Renewal of Existing Assets as % of total capex			35.2%	79.9%	0.0%	52.1%	56.2%	56.2%	60.7%	71.1%	75.4%
Renewal of Existing Assets as % of deprecn"			77.2%	35.0%	0.0%	75.9%	110.2%	110.2%	121.0%	73.3%	67.5%
R&M as a % of PPE			1.9%	1.0%	0.6%	1.3%	1.3%	1.3%	1.5%	1.5%	2.0%
Renewal and R&M as a % of PPE			3.0%	2.0%	1.0%	3.0%	4.0%	4.0%	5.0%	4.0%	5.0%

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Donated/contributed and assets funded by finance leases to be allocated to the respective category
7. Including repairs and maintenance to agricultural, biological and intangible assets

2013/14 to 2015/16



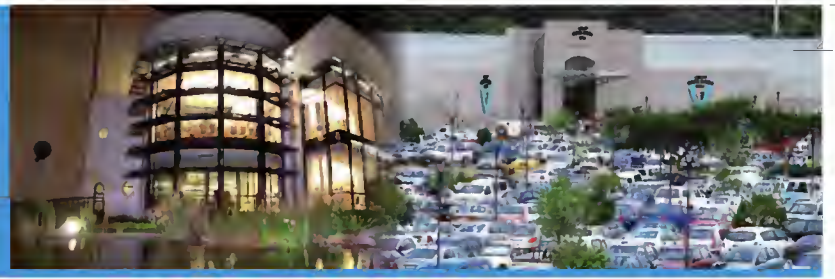
KZN225 Msunduzi - Table A10 Consolidated basic service delivery measurement										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets										
Water:										
Piped water inside dwelling	1	121,055		78,552	100	100	78802	79,052	79,302	79,552
Piped water inside yard (but not in dwelling)		19,139		63,301	7	7	63321	63,341	63,361	63,381
Using public tap (at least min.service level)	2	565		15,744	1	1	17724	17,704	17,684	17,664
Other water supply (at least min.service level)	4									
Minimum Service Level and Above sub-total		140,759	-	157,597	107,142	107,142	159,847	160,097	160,347	160,597
Using public tap (< min.service level)	3	506						884	984	984
Other water supply (< min.service level)	4	1,500						-	-	-
No water supply				6,396			6396	6,396	6,396	6,396
Below Minimum Service Level sub-total		2,006	-	6,396	-	-	6,396	7,280	7,380	7,380
Total number of households	5	142,765	-	163,993	107,142	107,142	166,243	167,377	167,727	167,977
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		57,147		84,675	55,228	55,228	84825	84,975	85,125	85,125
Flush toilet (with septic tank)		5,086		8,540	4,979	4,979	8550	8,560	8,570	8,570
Chemical toilet		4,379		5,489	315	315	3499	3,000	2,500	2,000
Pit toilet (ventilated)		29,446		28,344	32,116	32,116	26344	24,344	32,696	32,696
Other toilet provisions (> min.service level)				32,044			28044	24,044	20,044	20,044
Minimum Service Level and Above sub-total		96,058	-	159,092	92,638	92,638	151,262	144,923	148,935	148,435
Bucket toilet				1,585			0	1585	1585	1585
Other toilet provisions (< min.service level)								4,436	4,436	4,436
No toilet provisions				3,316			0	3316	3316	3316
Below Minimum Service Level sub-total		-	-	4,901	-	-	-	9,337	9,337	9,337
Total number of households	5	96,058	-	163,993	92,638	92,638	151,262	154,260	158,272	157,772
Energy:										
Electricity (at least min.service level)		50,000			44,000	44,000	44,000	44,500	45,000	49,950
Electricity - prepaid (min.service level)					20,000	20,000	20,000	21,000	22,000	23,034
Minimum Service Level and Above sub-total		50,000	-	-	64,000	64,000	64,000	65,500	67,000	72,984
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	50,000	-	-	64,000	64,000	64,000	65,500	67,000	72,984



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KZN225 Msunduzi - Table A10 Consolidated basic service delivery measurement										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Refuse:										
Removed at least once a week		63,777	89,910		70,000	70,000	70,000	89,910	110,000	124,200
Minimum Service Level and Above sub-total		63,777	89,910	-	70,000	70,000	70,000	89,910	110,000	124,200
Removed less frequently than once a week		20,948	19,000		38,910	38,910	38,910	29,000	-	
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal		37,275	35,090		35,090	35,090	35,090	25,090	34,000	19,800
Below Minimum Service Level sub-total		58,223	54,090	-	74,000	74,000	74,000	54,090	34,000	19,800
Total number of households	5	122,000	144,000	-	144,000	144,000	144,000	144,000	144,000	144,000
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		18,141			20,119	20,119	20,119	21,125	21,760	22,630
Sanitation (free minimum level service)		16,244			20,119	20,119	20,119	21,125	21,760	22,630
Electricity/other energy (50kwh per household per month)		7,309								
Refuse (removed at least once a week)		15,100			20,119	20,119	20,119	21,125	21,760	22,630
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		7,808								
Sanitation (free sanitation service)		15,267								
Electricity/other energy (50kwh per household per month)		8,645								
Refuse (removed once a week)		7,526								
Total cost of FBS provided (minimum social package)		39,245	-	-	-	-	-	-	-	-
Highest level of free service provided										
Property rates (R value threshold)		130,000			150,000	150,000	150,000	150,000	150,000	150,000
Water (kilolitres per household per month)		6	6		6	6	6	6	6	6
Sanitation (kilolitres per household per month)					-	-	-	-	-	-
Sanitation (Rand per household per month)		44			-	-	-	-	-	-
Electricity (kwh per household per month)		50	50		50	50	50	50	50	50
Refuse (average litres per week)		28			-	-	-	-	-	-
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		7,650	12,955		16,431	16,431	16,431	17,623	18,969	20,297
Property rates (other exemptions, reductions and rebates)		24,431	61,891		78,496	78,496	78,496	84,193	90,622	96,967
Water		7,808	47,393		60,109	60,109	60,109	64,472	69,395	74,669
Sanitation		15,267								

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KZN225 Msunduzi - Table A10 Consolidated basic service delivery measurement										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Electricity/other energy		8,645	97,757		123,984	123,984	123,984	132,984	143,138	154,016
Refuse		7,526	47,215		59,883	59,883	59,883	64,229	69,134	74,388
Municipal Housing - rental rebates	6									
Housing - tap structure subsidies										
Other										
Total revenue cost of free services provided (total social package)		71,326	267,211	-	338,903	338,903	338,903	363,502	391,259	420,337

References

1. Include services provided by another entity; e.g. Eskam
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Barehale, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free
8. Must reflect the cost to the municipality of providing the Free Basic Service
9. Reflect the cost to the municipality in terms of 'revenue faregane' of providing free services (note this will not equal 'Revenue Faregane' on SA1)



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'												
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
REVENUE ITEMS:												
Property rates												
Total Property Rates		6	420,030	448,257	878,862	862,061	862,061	862,061	862,061	974,813	1,051,833	1,110,484
less Revenue Foregone					373,552	285,660	285,660	285,660	285,660	367,505	387,718	409,042
Net Property Rates			420,030	448,257	505,310	576,402	576,402	576,402	576,402	607,308	664,116	701,442
Service charges - electricity revenue												
Total Service charges - electricity revenue		6	816,173	1,011,459	1,216,308	1,416,917	1,417,115	1,417,115	1,417,115	1,565,566	1,721,470	1,892,963
less Revenue Foregone					3,648					6,739	6,760	6,783
Net Service charges - electricity revenue			816,173	1,011,459	1,212,660	1,416,917	1,417,115	1,417,115	1,417,115	1,558,827	1,714,709	1,886,180
Service charges - water revenue												
Total Service charges - water revenue		6	213,633	270,107	345,941	328,337	339,545	339,545	339,545	396,383	417,808	440,382
less Revenue Foregone					57,596	10,983				17,938	18,906	19,928
Net Service charges - water revenue			213,633	270,107	288,345	317,354	339,545	339,545	339,545	378,445	398,902	420,454
Service charges - sanitation revenue												
Total Service charges - sanitation revenue			76,207	102,592	110,386	130,567	125,263	125,263	125,263	139,811	147,361	155,318
less Revenue Foregone					2,879	16,567				7,658	8,079	8,524
Net Service charges - sanitation revenue			76,207	102,592	107,507	114,000	125,263	125,263	125,263	132,153	139,281	146,795
Service charges - refuse revenue												
Total refuse removal revenue		6	53,287	65,559	70,077	87,272	73,547	73,547	73,547	80,205	84,597	89,219
Total landfill revenue			-	-	(14)	8,520				2,613	2,757	2,908
less Revenue Foregone												
Net Service charges - refuse revenue			53,287	65,559	70,091	78,752	73,547	73,547	73,547	77,592	81,841	86,311
Other Revenue by source												
Airport					3,461					3,387	3,387	3,387
Forestry					12,871					-	-	-
Market					17,175					17,982	18,881	17,841
Burials & Crematoriums					1,258					1,125	1,180	1,245
Buildings					1,953					1,606	1,694	1,788

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KZN225 Msunduzi - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'															
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13					2013/14 Medium Term Revenue & Expenditure Framework				
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16			
Depreciation resulting from revaluation of PPE		10													
Total Depreciation & asset impairment		1	124,044	253,485	273,650	158,000	158,000	158,000	158,000	222,212	256,533	282,183			
Bulk purchases															
Electricity Bulk Purchases			568,236	729,325	919,410	1,073,681	1,406,504	1,406,504	1,406,504	1,123,929	1,262,429	1,350,799			
Water Bulk Purchases			236,743	265,041	297,925	309,243				369,961	388,205	419,261			
Total bulk purchases		1	804,979	994,366	1,217,335	1,382,923	1,406,504	1,406,504	1,406,504	1,493,890	1,650,634	1,770,060			
Transfers and grants															
Cash transfers and grants			4,342	3,967	4,144	4,500	4,500	4,500	4,500	5,027	5,274	5,563			
Non-cash transfers and grants			-	-	-	-	-	-	-	-	-	-			
Total transfers and grants		1	4,342	3,967	4,144	4,500	4,500	4,500	4,500	5,027	5,274	5,563			
Contracted services															
Security Contract			-	-	21,091	16,497	16,665	16,665	16,665	16,792	17,678	18,556			
External Cashiers					5,236	5,820	6,550	6,550	6,550						
External Services					41,476	34,631	42,539	42,539	42,539	40,384	42,208	43,364			
sub-total		1	-	-	67,803	56,948	65,754	65,754	65,754	57,176	59,886	61,919			
Allocations to organs of state:															
Electricity					-										
Water															
Sanitation															
Other															
Total contracted services			-	-	67,803	56,948	65,754	65,754	65,754	57,176	59,886	61,919			
Other Expenditure By Type															
Collection costs			2,461	1,664	1,540					3,102	3,253	3,412			
Contributions to 'other' provisions															
Consultant fees					3,302	1,113	7,212	7,212	7,212	2,454	3,451	29,175			
Audit fees					4,034	4,018	4,068	4,068	4,068	4,475	4,923	5,415			
General expenses		3	835,255	676,256	41,776	196,546	276,287	278,539	276,289	157,383	179,616	218,481			
Mayors Projects					-		2,250		2,250	6,185	6,485	6,801			
Bad Debts - Provision					58,210										

KZN225 Msunduzi - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'												
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Pension Payable					–					3,512	3,648	3,821
Interest Paid					71,449							
Government Grant Expenditure					4,144					29,535	28,390	29,680
Extra Ordinary Items					–		2,803	2,803	2,803	2,803	2,803	2,803
Cost Of Income Forgone					300,174							
External Services					41,476							
Distribution Wages					54,380							
DownTime Leave/Sickpay					16,217							
Loss on Sale of Assets					–					1,585	–	–
Operating Costs - Vulindlela					10,350					3,916	4,106	4,307
Telephones					–		6,424	6,424	6,424	6,449	6,726	7,062
Eskom Payments					7,001					7,986	8,386	8,426
Hire Charges					14,612					14,840	15,609	15,812
Petrol and Lubricants					18,222					22,365	23,547	24,933
Distribution Plant Hire					15,751					19,968	21,120	22,354
Poor Relief					–					18,791	19,475	20,196
Repairs and Maintenance			65,924	57,394	39,510	89,185	89,288	89,288	89,288	95,314	99,643	130,802
Discount to Bulk Consumers										2,155	2,273	2,398
Insurance General										1,666	1,794	1,933
Total 'Other' Expenditure		1	903,640	735,314	702,148	290,862	388,332	388,334	388,334	404,483	435,248	537,811

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MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)																	
Description	Ref	Vote 1 - Corporate Services	Vote 2 - Financial Manage- ment Area	Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	Vote 4 - Sustainable Community Service Delivery Provision Management	Vote 5 - (NAME OF VOTE 5)	Vote 6 - (NAME OF VOTE 6)	Vote 7 - (NAME OF VOTE 7)	Vote 8 - (NAME OF VOTE 8)	Vote 9 - (NAME OF VOTE 9)	Vote 10 - (NAME OF VOTE 10)	Vote 11 - (NAME OF VOTE 11)	Vote 12 - (NAME OF VOTE 12)	Vote 13 - (NAME OF VOTE 13)	Vote 14 - (NAME OF VOTE 14)	Vote 15 - (NAME OF VOTE 15)	Total
R thousand	1	R'000	R'000	R'000	R'000	R'000	R'000										R'000
Revenue By Source																	
Property rates		-	608,104	-	-	-	-	-	-	-	-	-	-	-	-	-	608,104
Property rates - penalties & collection charges		-	37,363														37,363
Service charges - electricity revenue		-		1,558,827													1,558,827
Service charges - water revenue		-		373,500													373,500
Service charges - sanitation revenue		-		132,153													132,153
Service charges - refuse revenue				77,592													77,592
Service charges - other																	-
Rental of facilities and equipment			26,343														26,343
Interest earned - external investments			18,941														18,941
Interest earned - outstanding debtors			1,255														1,255
Dividends received																	-
Fines			5,634														5,634
Licences and permits			48														48
Agency services			586														586
Other revenue			48,011														48,011
Transfers recognised - operational		-	652,059														652,059
Gains on disposal of PPE		-															-
Total Revenue (excluding capital transfers and contributions)		-	1,398,344	2,142,072	-	-	-	-	-	-	-	-	-	-	-	-	3,540,416
Expenditure By Type																	
Employee related costs		-	770,620														770,620
Remuneration of councillors		-			36,419												36,419
Debt impairment			137,510														137,510
Depreciation & asset impairment		-		189,600													189,600
Finance charges		-	64,601														64,601
Bulk purchases				1,498,061													1,498,061
Other materials																	-
Contracted services		16,792															16,792

2013/14 to 2015/16



Description	Ref	Vote 1 - Corporate Services	Vote 2 - Financial Management Area	Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management	Vote 4 - Sustainable Community Service Delivery Provision Management	Vote 5 - (NAME OF VOTE 5)	Vote 6 - (NAME OF VOTE 6)	Vote 7 - (NAME OF VOTE 7)	Vote 8 - (NAME OF VOTE 8)	Vote 9 - (NAME OF VOTE 9)	Vote 10 - (NAME OF VOTE 10)	Vote 11 - (NAME OF VOTE 11)	Vote 12 - (NAME OF VOTE 12)	Vote 13 - (NAME OF VOTE 13)	Vote 14 - (NAME OF VOTE 14)	Vote 15 - (NAME OF VOTE 15)	Total
R thousand	1	R'000	R'000	R'000	R'000	R'000	R'000									R'000	R'000
Transfers and grants		-	5,027	-	-	-	-										5,027
Other expenditure			755,200														755,200
Loss on disposal of PPE			-														-
Total Expenditure		16,792	1,732,958	1,687,661	36,419	-	-										3,473,831
Surplus/(Deficit)		(16,792)	(334,614)	454,411	(36,419)	-	-										66,585
Transfers recognised - capital				383,158													383,158
Contributions recognised - capital																	-
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		(16,792)	(334,614)	837,569	(36,419)	-	-										449,743

References

1. Departmental columns to be based on municipal organisation structure



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'												
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS												
Call investment deposits												
Call deposits < 90 days			118,689	282,404	561,104	511,892	648,239	648,239	648,239	539,022	565,434	593,706
Other current investments > 90 days												
Total Call investment deposits		2	118,689	282,404	561,104	511,892	648,239	648,239	648,239	539,022	565,434	593,706
Consumer debtors												
Consumer debtors			645,382	878,881	542,688	987,841	987,841	987,841	987,841	828,214	1,091,166	970,021
Less: Provision for debt impairment			(430,578)	(525,990)		(250,342)	(250,342)	(250,342)	(250,342)	(137,510)	(154,111)	(158,637)
Total Consumer debtors		2	214,804	352,890	542,688	737,498	737,498	737,498	737,498	690,704	937,055	811,384
Debt impairment provision												
Balance at the beginning of the year			(182,000)	(430,578)	(525,990)	(686,907)	(686,907)	(1,373,814)	(1,373,814)	(1,052,407)	(952,102)	(454,210)
Contributions to the provision			(250,540)	(96,000)	(58,210)	(250,342)	(250,342)	(500,685)	(500,685)	(137,510)	(154,111)	(158,637)
Bad debts written off			1,962	588	(157)							
Balance at end of year			(430,578)	(525,990)	(584,357)	(937,250)	(937,250)	(1,874,499)	(1,874,499)	(1,189,917)	(1,106,213)	(612,847)
Property, plant and equipment (PPE)												
PPE at cost/valuation (excl. finance leases)			7,400,517	7,431,732	7,665,219	7,920,358	7,920,358	7,920,358	7,920,358	7,780,053	7,806,200	7,930,631
Leases recognised as PPE												
Less: Accumulated depreciation		3	1,056,123	1,034,085	1,303,576	1,211,524	1,211,524	1,211,524	1,211,524	1,275,735	1,327,054	1,268,901
Total Property, plant and equipment (PPE)		2	6,344,394	6,397,646	6,361,643	6,708,834	6,708,834	6,708,834	6,708,834	6,504,318	6,479,146	6,661,730
LIABILITIES												
Current liabilities - Borrowing												
Short term loans (other than bank overdraft)					-							
Current portion of long-term liabilities			3,443	2,861	43,584	43,584	43,584	43,584	43,584	38,030	36,129	34,323
Total Current liabilities - Borrowing			3,443	2,861	43,584	43,584	43,584	43,584	43,584	38,030	36,129	34,323
Trade and other payables												
Trade and other creditors			370,452	364,435	399,032	183,466	183,466	183,466	183,466	437,008	221,119	234,386
Unspent conditional transfers			140,882	121,164	149,448					97,764		
VAT			22,513	41,559	52,660	79,141	79,141	79,141	79,141	83,336	87,419	91,790
Total Trade and other payables		2	533,847	527,157	601,139	262,607	262,607	262,607	262,607	618,107	308,538	326,176

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'												
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Non current liabilities - Borrowing		4										
Borrowing	562,979		514,616	575,954	647,309	647,309	647,309	647,309	573,000	503,000	430,000	
Finance leases (Including PPP asset element)	7,150		4,326	2,008								
Total Non current liabilities - Borrowing	570,129		518,942	577,963	647,309	647,309	647,309	647,309	573,000	503,000	430,000	
Provisions - non-current												
Retirement benefits	151,097	211,638	285,724	-	-	-	-	-	-	-	-	-
List other major provision items	3,624	20,362	22,546	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation	-	-	-	2,585	2,585	2,585	2,585	2,585	2,585	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Provisions - non-current	154,721	232,001	308,270	2,585	2,585	2,585	2,585	2,585	2,585	-	-	-
CHANGES IN NET ASSETS												
Accumulated Surplus/(Deficit)												
Accumulated Surplus/(Deficit) - opening balance	6,095,940	6,037,415	6,052,849	7,461,041	7,593,742	7,593,741	7,593,741	7,593,741	6,990,290	7,071,000	8,501,005	
GRAP adjustments												
Restated balance	6,095,940	6,037,415	6,052,849	7,461,041	7,593,742	7,593,741	7,593,741	7,593,741	6,990,290	7,071,000	8,501,005	
Surplus/(Deficit)	(152,843)	179,468	388,405	235,158	225,512	225,511	225,510	225,510	449,744	268,828	252,391	
Appropriations to Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from Reserves	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation offsets	-	-	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	266,161	252,327		
Accumulated Surplus/(Deficit)	5,943,098	6,216,882	6,441,254	7,696,199	7,819,254	7,819,252	7,819,252	7,819,252	7,706,195	7,592,156	8,753,395	
Reserves												
Housing Development Fund	52,480	53,214	55,526	54,438	54,438	54,438	54,438	54,438	57,323	60,132		
Capital replacement			-	-	-	-	-	-	-	-		
Self-insurance			-	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(1,242)	(1,303)		
Other reserves			-	-	-	-	-	-	-	-		53,214
Revaluation			-	-	-	-	-	-	-	-		
Total Reserves	52,480	53,214	55,526	53,258	53,258	53,258	53,258	53,258	56,081	58,829	53,214	
TOTAL COMMUNITY WEALTH/EQUITY	5,995,578	6,270,096	6,496,780	7,749,457	7,872,512	7,872,510	7,872,510	7,872,510	7,762,276	7,650,984	8,806,609	



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'												
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
R thousand												
Total capital expenditure includes expenditure on nationally significant priorities:												
Provision of basic services												

References

1. Must reconcile with Table A4 Budgeted Financial Performance (revenue and expenditure)
2. Must reconcile with Table A6 Budgeted Financial Position
3. Leases treated as assets to be depreciated as the same as purchased/constructed assets. Includes PPP asset element accounted for as finance leases
4. Borrowing must reconcile to Table A17

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
Strategic Objective	Goal	"Goal Code"	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
To improve health care	To promote health, safety & caring of environment			9,158								
To upgrade, resurface roads including associated stormwater rainage, to improve the total road network	To improve & maintain infrastructure assets			1,028								
To upgrade, replace, rehabilitate sewer infrastructure	To improve & maintain infrastructure assets			1								
To complete installation of renewal, provide access to basic water, elimination of standpipes, upgrade	To improve & maintain infrastructure assets			263,154								
To provide access to lighting, refurbish transmission lines, replace switchgear	To improve & maintain infrastructure assets			941,120								
To promote social integration	Promote the city heritage & enhance sustainable tourism			575								
To provide sustainable & developmental finance through sound financial management	Use technology advancement to improve service delivery			840,966								
To ensure proper regulations, control and enforcement	To promote & enhance e-governance			13,147								
To develop social housing	To promote integrated development			7,904								
To provide adequate staffing levels	To promote & enhance e-governance			3,533								
To promote the involvement of communities	To promote integrated development			2,783								
Environmentally sustainable development	To promote integrated development			54,775								



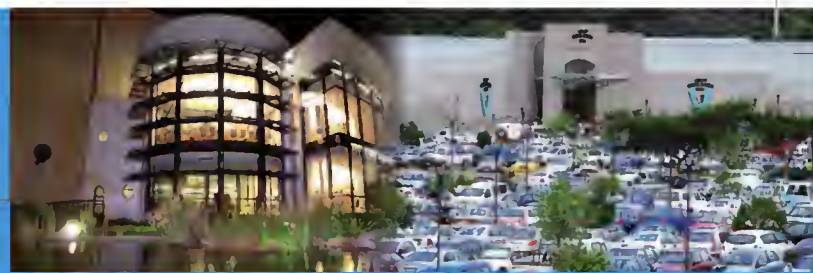
MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
Strategic Objective	Goal	"Goal Code"	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
To promote access to basic services	To promote integrated development			140,332								
Financial Viability and Management	An efficiently managed,financially viable and sustainable city			835,014							1,143,178	1,072,306
Basic Service and Infrastructure Development	A city where everybody has access to habitable human settlement-decent houses, clean water and proper sanitation			2,024,427							2,099,532	2,418,662
Local Economic Development	A vibrant economic centre, attracting investment, supporting business development and creating jobs			8,233							9,382	10,413
Good Governance and Public Participation	A well-governed city underpinned by meaningful public participation			249							284	315
Institutional Development and Transformation	A well-governed city underpinned by meaningful public participation			330							376	417
Environmental Planning and Social Services	An environmentally sustainable and healthy city			33,988							38,733	42,989
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	2,278,476	2,902,241	-	-	-	-		3,291,485	3,545,102
												3,814,104

References

1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
2. Balance of allocations not directly linked to an IDP strategic objective

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)										
Strategic Objective	Goal	Ref	"Goal Code"	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	2010/11	Audited Outcome	2011/12	Original Budget	Adjusted Budget	Full Year Forecast
R thousand				Audited Outcome	2009/10	Audited Outcome	2010/11	Original Budget	Adjusted Budget	Full Year Forecast
To improve health care	To promote health, safety & caring of environment			55,341						
To upgrade, resurface roads including associated stormwater rainage, to improve the total road network	To improve & maintain infrastructure assets			158,553						
To upgrade, replace, rehabilitate sewer infrastructure	To improve & maintain infrastructure assets			20,896						
To complete installation of renewal, provide access to basic water, elimination of standpipes, upgrade	To improve & maintain infrastructure assets			260,688						
To provide access to lighting, refurbish transmission lines, replace switchgear	To improve & maintain infrastructure assets			1,400,662						
To promote social integration	Promote the city heritage & enhance sustainable tourism			22,580						
To provide sustainable & developmental finance through sound financial management	Use technology advancement to improve service delivery			262,582						
To ensure proper regulations, control and enforcement	To promote & enhance e-governance			120,434						
To develop social housing	To promote integrated development			20,873						
To provide adequate staffing levels	To promote & enhance e-governance			(9,022)						
To promote the involvement of communities	To promote integrated development			98,984						
Environmentally sustainable development	To promote integrated development			125,954						
To promote access to basic services	To promote integrated development			200,626						



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)																
Strategic Objective	Goal	"Goal Code"	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework						
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16				
R thousand																
Financial Viability and Management	An efficiently managed, financially viable and sustainable city				807,735				790,732	836,754	836,754	936,989	1,035,428	1,102,731		
Basic Service and Infrastructure Development	A city where everybody has access to habitable human settlement-decent houses, clean water and proper sanitation				1,958,290				2,147,483	2,247,600	2,247,600	2,239,884	2,392,085	2,604,847		
Local Economic Development	A vibrant economic centre, attracting investment, supporting business development and creating jobs				7,964				7,795	8,249	8,249	9,238	10,209	10,873		
Good Governance and Public Participation	A well-governed city underpinned by meaningful public participation				241				245	245	245	279	309	329		
Institutional Development and Transformation	A well-governed city underpinned by meaningful public participation				319				350	350	350	370	409	437		
Environmental Planning and Social Services	An environmentally sustainable and healthy city				32,878				36,041	36,041	36,041	38,139	42,146	44,886		
Allocations to other priorities																
Total Expenditure			1	2,739,151	2,807,426	-	2,982,646	3,129,239	3,129,239	3,129,239	3,224,899	3,480,585	3,764,103			

References

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
2. Balance of allocations not directly linked to an IDP strategic objective

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)										
Strategic Objective	Goal	Goal Code	Ref	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	2010/11	Audited Outcome	2011/12	Original Budget	Adjusted Budget	Full Year Forecast
R thousand				Audited Outcome						
To improve health care	To promote health, safety & caring of environment	A								
To upgrade, resurface roads including associated stormwater rainage, to improve the total road network	To improve & maintain infrastructure assets	B								
To upgrade, replace, rehabilitate sewer infrastructure	To improve & maintain infrastructure assets	C								
To complete installation of renewal, provide access to basic water, elimination of standpipes, upgrade	To improve & maintain infrastructure assets	D								
To provide access to lighting, refurbish transmission lines, replace switchgear	To improve & maintain infrastructure assets	E								
To bring the landfill in compliance with NEMA	To promote health, safety & caring of environment	F								
To promote social integration	Promote the city heritage & enhance sustainable tourism	G		4,226						
To provide sustainable & developmental finance through sound financial management	Use technology advancement to improve service delivery			95,083						
To ensure proper regulations, control and enforcement	To promote & enhance e-governance			3,500						
To develop social housing	To promote integrated development			13,390						
To provide adequate staffing levels	To promote & enhance e-governance			11,225						
To promote the involvement of communities	To promote integrated development			5,100						
Environmentally sustainable development	To promote integrated development			17,980						



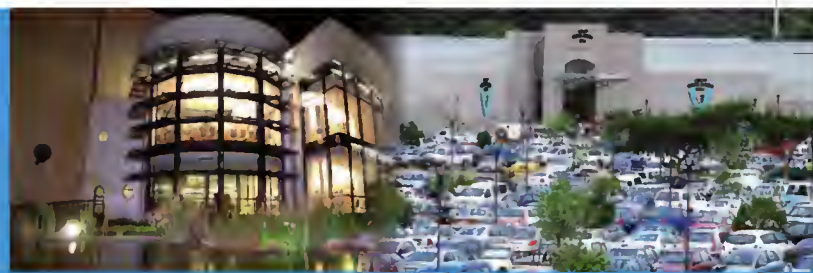
MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)																
Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework						
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16				
R thousand																
To promote access to basic services	To promote integrated development			1,495												
Basic Service Delivery and Infrastructure Development	A city where everybody has access to habitable human settlements-decent houses, clean water and proper sanitation			1,315												
Financial Viability and Management	An efficiently managed, financially viable and sustainable City			4,680												
Basic Service Delivery and Infrastructure Development	A safe city, with low crime levels, and quality living areas	H		1,410												
Environmental Planning and Social Services	An environmental sustainable and healthy city	I		5,850												
Local Economic Development	A vibrant economic centre, attracting investment, supporting business development and creating jobs	J		8,899												
Basic Service Delivery and Infrastructure Development	A well planned, spatially integrated city	K		1,880												
		L			85,957											
		M														
		N														
		O			12,070											
		P			11,906											
			3		1,216											
Allocations to other priorities			1			-										
Total Capital Expenditure																

References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure
2. Goal code must be used on Table SA36
3. Balance of allocations not directly linked to an IDP strategic objective

2013/14 to 2015/16

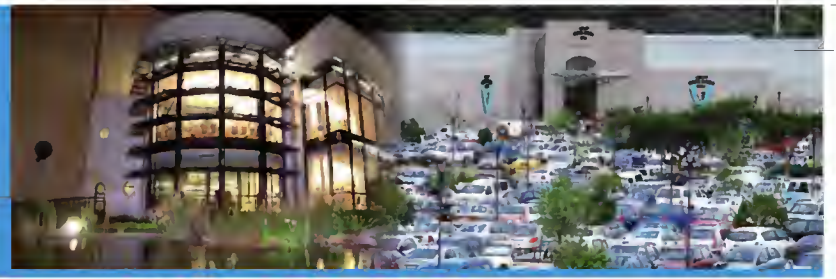


KZN225 Msunduzi - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Vote 3 - Infrastructure Services										
Function 1 - Water										
Sub-function 1 - Non-Revenue Water Reduction of Non-Revenue Water	Percentage	n/a	n/a	20 783 000	15 000 000	15 000 000	15 000 000			
Sub-function 2 - New mains and reticulation	Na of meters of pipe laid	n/a	n/a	640 000	1 200 000	1 200 000	1 200 000			
Edendale proper new mains and reticulation										
Sub-function 3 - Water Supply	Na of meters of water pipe installed	n/a	n/a	962 000	2 000 000	2 000 000	2 000 000			
Basic Water Supply										
Sub-function 4 - Reservoirs	Percentage Complete	n/a	n/a	2 935 000	21 219 450	21 219 450	21 219 450			
Capeville Reservoir										
Function 2 - Sanitation										
Sub-function 1 - Feasibility Study	Na of km of pipe surveyed	n/a	n/a	3 254 000	500 000	500 000	500 000			
Sanitation Infrastructure Feasibility study										
Sub-function 2 - Rehabilitation	Na of km of pipe replaced and pump stations upgraded	n/a	n/a	451 000	10 000 000	10 000 000	10 000 000			
Rehabilitation of Sanitation Infrastructure										
Sub-function 3 - Pump Stations	Percentage Complete	n/a	n/a	6 418 000	n/a	n/a	n/a			
Lincoln Meade sewer pump station										
Sub-function 4 - Installation of VIPs	Number of VIPs	n/a	n/a	18 731 000	n/a	n/a	n/a			
Installation of VIPs in Vulindlela										
Function 3 - Electricity										
Sub-function 1 - Refurbishment	Number of mini-sub & pale transformers replaced	n/a	n/a	20 013 000	6 000 000	6 000 000	6 000 000			
Refurbish of mini-sub & pale transformers										
Sub-function 1 - Refurbishment	Number of Medium Voltage Electrical Equipment replaced	n/a	n/a	2 665 000	12 500 000	12 500 000	12 500 000			
Medium Voltage Electrical Equipment										
Sub-function 1 - Refurbishment										



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Hilton Line	Km of new line installed/re-placed	n/a	n/a	623 000	13 500 00	13 500 00	13 500 00			
Function 4 - Roads										
Sub-function 1 - Refurbishment CONSTRUCTION - KHOZA ROAD	No of km of Road upgraded	n/a	n/a	1 683 000	n/a	n/a	n/a			
Sub-function 2 - Refurbishment CONSTRUCTION - HLATHINI ROAD	No of km of Road upgraded	n/a	n/a	5 238 000	n/a	n/a	n/a			
Sub-function 3 - Refurbishment MACHIBISA,DAMBUZA ROADS	No of km of Road upgraded	n/a	n/a	20 953 000	2 000 000	2 000 000	2 000 000			
Sub-function 4 - Refurbishment UNIT P	No of km of Road upgraded	n/a	n/a	1 696 000	n/a	n/a	n/a			
Sub-function 5 - Refurbishment REHAB OF GRAVEL ROAD D1128	No of km of Road upgraded and Rehabilitated	n/a	n/a	8 598 000	3 000 000	3 000 000	3 000 000			
Sub-function 6 - Refurbishment REHAB OF WILLOWFOUNTAIN RD	No of km of Road upgraded and Rehabilitation	n/a	n/a	1 334 000	6 500 000	6 500 000	6 500 000			
Sub-function 7 - Refurbishment REHAB OF ASHDOWN RD NETWORK	No of km of Road upgraded	n/a	n/a	1 470 000	2 500 000	2 500 000	2 500 000			
Sub-function 8 - Refurbishment HORSE SHOE ACCESS ROAD IN IMBALI	No of km of Road upgraded	n/a	n/a	942 000	1 700 000	1 700 000	1 700 000			
Sub-function 9 - Refurbishment CONSTRUCTION OF WATERFALL – EDN	No of km of Road upgraded	n/a	n/a	2 013 000	n/a	n/a	n/a			
Sub-function 10 - Refurbishment MOSCOW ROAD	No of km of Road upgraded	n/a	n/a	241 000	4 000 000	4 000 000	4 000 000			
Sub-function 11 - Refurbishment CONSTRUCTION OF STATION RD BRIDGE	No of km of Road upgraded	n/a	n/a	471 000	100 000	100 000	100 000			
Sub-function 12 - Refurbishment CHOTA MOTALA / N3 INTERCHANGE	Construction of new bridge	n/a	n/a	20 000 000	16 790 000	16 790 000	16 790 000			
Vote 4 - Community Services										
Function 1 - Waste Management										
Sub-function 1 - Purchase of new plant										



KZN225 Msunduzi - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
COMPACTORS		n/a	n/a	11 141 000	n/a	n/a	n/a			
Function 2 - Landfill Site										
Sub-function 1 - Upgrade										
Upgrade to Lanfill Site	Percentage Upgrade to Lanfill Site	n/a	n/a	5 647 000	2 053 000	2 053 000	2 053 000			
Vote 5 - Economic Development										
Function 1 - Local Economic Development										
Sub-function 1 - Freedom Square										
Upgrade to Freedom Square	% Upgrade to Freedom Square	n/a	n/a	14 300 000	6 500 000	6 500 000	6 500 000			

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))
2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities
3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

KZN225 Msunduzi - Entities measureable performance objectives										
Description	Unit of measurement	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Entity 1 - (name of entity) Insert measure/s description										
Entity 2 - (name of entity) Sub-function 3 - Water Supply										
Entity 3 - (name of entity) Sub-function 3 - Water Supply										
And so on for the rest of the Entities										

1. Include a measurable performance objective as agreed with the parent municipality (MFMA s87(5)(d))
2. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating Expenditure	4.0%	2.5%	2.3%	3.3%	2.9%	2.9%	2.9%	3.4%	0.6%	-5.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing / Own Revenue	5.1%	2.8%	2.5%	3.7%	3.3%	3.3%	3.3%	3.8%	0.7%	-6.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	180.4%	-214.7%	83.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-85.7%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	1086.4%	975.2%	1040.9%	1215.4%	1215.4%	1215.4%	1215.4%	1021.7%	855.0%	808.1%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0.8	1.2	1.7	3.8	4.1	4.1	4.1	1.9	4.0	5.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.8	1.2	1.7	3.8	4.1	4.1	4.1	1.9	4.0	5.7
Liquidity Ratio	Monetary Assets/Current Liabilities	0.4	1.0	0.8	1.5	1.9	1.9	1.9	0.8	1.5	3.6
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		89.0%	89.6%	86.9%	90.4%	111.3%	111.2%	111.2%	86.1%	94.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			89.0%	94.1%	99.7%	90.4%	111.3%	111.3%	111.3%	86.1%	94.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	5.0%	2.9%	16.6%	26.7%	25.4%	25.4%	25.4%	22.8%	28.1%	23.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within `MFMA`'s 65(e))										
Creditors to Cash and Investments		142.1%	87.5%	56.5%	26.2%	22.1%	22.1%	22.1%	48.6%	21.5%	19.4%

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	Total Volume Losses (kl)										
	Total Cost of Losses (Rand '000)										
Employee costs	Employee costs/(Total Revenue - capital revenue)	24.3%	21.9%	20.0%	23.9%	23.3%	23.3%	23.3%	23.7%	23.1%	22.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	21.0%	21.8%	19.1%	25.0%	1.7%	24.4%		24.8%	24.2%	23.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.6%	2.3%	1.2%	3.0%	2.8%	2.8%		2.9%	2.8%	3.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.7%	11.2%	10.4%	7.9%	7.3%	7.3%	7.3%	8.7%	8.9%	8.8%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	42.9	27.4	89.0	68.9	68.9	68.9	37.6	(78.5)	(11.6)	(12.5)
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	8.0%	4.4%	24.8%	30.9%	30.3%	30.3%	30.3%	26.4%	32.2%	26.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.5	2.4	3.5	3.2	3.7	3.7	3.7	4.0	4.1	4.3

References

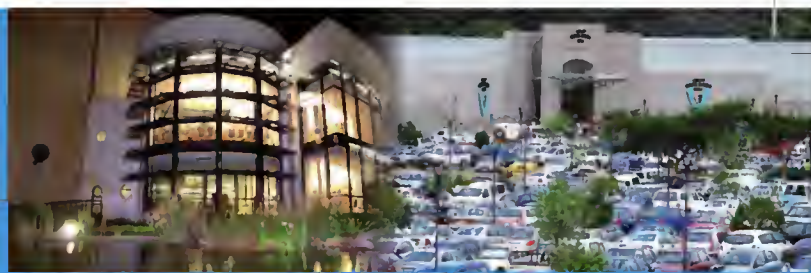
1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA9 Social, economic and demographic statistics and assumptions											
Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework	
										Outcome	Outcome
Demographics											
Population		Census Count/Estimate		552 837	617	616,730	616,730	616,730	616,730	616,730	616,730
Females aged 5 - 14		Census Count/Estimate			60	60,191	60,191	60,191	60,191	166,517	166,517
Males aged 5 - 14		Census Count/Estimate			62	62,027	62,027	62,027	62,027	197,354	197,354
Females aged 15 - 34		Census Count/Estimate			122	121,878	121,878	121,878	121,878	228,190	228,190
Males aged 15 - 34		Census Count/Estimate			123	122,889	122,889	122,889	122,889	240,525	240,525
Unemployment		Census Count/Estimate			98	97,816	97,816	97,816	97,816	97,816	97,816
Monthly household income (no. of households)	1, 12										
No income											
R1 - R1 600										119,039	119,039
R1 601 - R3 200										77,281	77,281
R3 201 - R6 400										28,922	28,922
R6 401 - R12 800										22,852	22,852
R12 801 - R25 600										5968	5968
R25 601 - R51 200										3086	3086
R52 201 - R102 400										461	461
R102 401 - R204 800										581	581
R204 801 - R409 600										No Data	No Data
R409 601 - R819 200										No Data	No Data
> R819 200										No Data	No Data
Poverty profiles (no. of households)											
< R2 060 per household per month	13										
Insert description	2										
Household/demographics (000)											
Number of people in municipal area		Statistics South Africa			616,730	617	617	617	617	617	617
Number of poor people in municipal area		Statistics South Africa			134,390	134	134	134		No Data	No Data
Number of households in municipal area		Statistics South Africa							134	134	134
Number of poor households in municipal area		Statistics South Africa								No Data	No Data

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Definition of poor household (R per month)										No Data	No Data	No Data
Housing statistics	3											
Formal		Statistics South Africa		67,899	67,899	67,899	67,899	67,899	67,899	No Data	No Data	No Data
Informal		Statistics South Africa		10,369	10,369	10,369	10,369	10,369	10,369	No Data	No Data	No Data
Total number of households			-	78,268	78,268	78,268	78,268	78,268	78,268	-	-	-
Dwellings provided by municipality	4	Statistics South Africa		134,390	134,390	134,390	134,390	134,390	134,390	134,390	No Data	No Data
Dwellings provided by province/s		Statistics South Africa		2,155,151	2,155,151	2,155,151	2,155,151	2,155,151	2,155,151	2,155,151	No Data	No Data
Dwellings provided by private sector	5											
Total new housing dwellings			-	2,289,541	2,289,541	2,289,541	2,289,541	2,289,541	2,289,541	2,289,541	-	-
Economic	6											
Inflation/inflation outlook (CPIX)						10.4%		4.0%	4.0%	No Data	No Data	No Data
Interest rate - borrowing						14.0%		9.0%	9.0%	No Data	No Data	No Data
Interest rate - investment						6.3%		5.0%	5.0%	No Data	No Data	No Data
Remuneration increases						8.5%		8.5%	7.0%	No Data	No Data	No Data
Consumption growth (electricity)									8.0%	No Data	No Data	No Data
Consumption growth (water)									8.0%	No Data	No Data	No Data
Collection rates	7											
Property tax/service charges									89.5%	No Data	No Data	No Data
Rental of facilities & equipment										No Data	No Data	No Data
Interest - external investments						9.0%			5.0%	No Data	No Data	No Data
Interest - debtors						60.0%			89.5%	No Data	No Data	No Data
Revenue from agency services										No Data	No Data	No Data



MSUNDUZI ANNUAL BUDGET

Detail on the provision of municipal services for A10														
Total municipal services		Ref.	2009/10											
			Outcome	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework					
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16			
		Household service targets (000)												
		Water:												
		Piped water inside dwelling												
		Piped water inside yard (but not in dwelling)												
	8	Using public tap (at least min. service level)												
	10	Other water supply (at least min. service level)												
		Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	-			
	9	Using public tap (< min.service level)												
	10	Other water supply (< min.service level)												
		No water supply												
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-			
		Total number of households	-	-	-	-	-	-	-	-	-			
		Sanitation/sewerage:												
		Flush toilet (connected to sewerage)												
		Flush toilet (with septic tank)												
		Chemical toilet												
		Pit toilet (ventilated)												
		Other toilet provisions (> min.service level)												
		Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	-			
		Bucket toilet												
		Other toilet provisions (< min.service level)												
		No toilet provisions												
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-			
		Total number of households	-	-	-	-	-	-	-	-	-			
		Energy:												



Detail on the provision of municipal services for A10		2013/14 Medium Term Revenue & Expenditure Framework			
Total municipal services	Ref.	2009/10	2010/11	2011/12	Current Year 2012/13
		Outcome	Outcome	Outcome	Original Budget Adjusted Budget Full Year Forecast
	Electricity (at least min.service level)				
	Electricity - prepaid (min.service level)				
	Minimum Service Level and Above sub-total	-	-	-	-
	Electricity (< min.service level)				
	Electricity - prepaid (< min. service level)				
	Other energy sources				
	Below Minimum Service Level sub-total	-	-	-	-
	Total number of households	-	-	-	-
	Refuse:				
	Removed at least once a week				
	Minimum Service Level and Above sub-total	-	-	-	-
	Removed less frequently than once a week				
	Using communal refuse dump				
	Using own refuse dump				
	Other rubbish disposal				
	No rubbish disposal				
	Below Minimum Service Level sub-total	-	-	-	-
	Total number of households	-	-	-	-

Detail on the provision of municipal services for A10		2013/14 Medium Term Revenue & Expenditure Framework			
Municipal in-house services	Ref.	2009/10	2010/11	2011/12	Current Year 2012/13
		Outcome	Outcome	Outcome	Original Budget Adjusted Budget Full Year Forecast
	Household service targets (000)				
	Water:				
	Piped water inside dwelling				



MSUNDUZI ANNUAL BUDGET

Detail on the provision of municipal services for A10											
Municipal in-house services	Ref.		2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
		Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
	8	Using public tap (at least min. service level)									
	10	Other water supply (at least min. service level)									
	9	Minimum Service Level and Above sub-total									
	10	Using public tap (< min.service level)									
		Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	-
		Bucket toilet									
	Other toilet provisions (< min.service level)										
	No toilet provisions										
	Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-	
	Total number of households	-	-	-	-	-	-	-	-	-	
	Energy:										
		Electricity (at least min.service level)									

Detail on the provision of municipal services for A10										
Municipal in-house services	Ref.	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
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MSUNDUZI ANNUAL BUDGET

Detail on the provision of municipal services for A10												
Municipal entity services		Ref.										
			2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
Name of municipal entity												
	8	Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-	
	10	Using public tap (at least min. service level)										
		Other water supply (at least min. service level)										
	9	Minimum Service Level and Above sub-total										
		Using public tap (< min.service level)										
	10	Other water supply (< min.service level)										
		No water supply										
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-	
		Total number of households	-	-	-	-	-	-	-	-	-	
Name of municipal entity		Sanitation/sewerage:										
		Flush toilet (connected to sewerage)										
		Flush toilet (with septic tank)										
		Chemical toilet										
		Pit toilet (ventilated)										
		Other toilet provisions (> min.service level)										
		Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	-	
		Bucket toilet										
		Other toilet provisions (< min.service level)										
		No toilet provisions										
Name of municipal entity		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-	
		Total number of households	-	-	-	-	-	-	-	-	-	
		Energy:										
		Electricity (at least min.service level)										



Detail on the provision of municipal services for A10											
Municipal entity services	Ref.		2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Name of municipal entity		Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
		Minimum Service Level and Above sub-total									
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources									
		Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-
		Refuse:									
		Removed at least once a week									
		Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	-
	Removed less frequently than once a week										
	Using communal refuse dump										
	Using own refuse dump										
	Other rubbish disposal										
	No rubbish disposal										
	Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-	
	Total number of households	-	-	-	-	-	-	-	-	-	

Detail on the provision of municipal services for A10											
Municipal entity services	Ref.		2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Names of service providers		Household service targets (000)									
		Water: Piped water inside dwelling									



MSUNDUZI ANNUAL BUDGET

Detail on the provision of municipal services for A10													
Municipal entity services		Ref.											
			2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework				
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16		
	8	Piped water inside yard (but not in dwelling)											
	10	Using public tap (at least min. service level)											
		Other water supply (at least min. service level)											
	9	Minimum Service Level and Above sub-total											
		Using public tap (< min.service level)											
	10	Other water supply (< min.service level)											
		No water supply											
		Below Minimum Service Level sub-total											
		Total number of households											
		Sanitation/sewerage:											
		Flush toilet (connected to sewerage)											
		Flush toilet (with septic tank)											
		Chemical toilet											
		Pit toilet (ventilated)											
		Other toilet provisions (> min.service level)											
		Minimum Service Level and Above sub-total											
		Bucket toilet											
		Other toilet provisions (< min.service level)											
		No toilet provisions											
		Below Minimum Service Level sub-total											
		Total number of households											
		Energy:											
		Electricity (at least min.service level)											

2013/14 to 2015/16



Detail on the provision of municipal services for A10															
Municipal entity services	Ref.						2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16					
Names of service providers															
		Electricity - prepaid (min.service level)													
		Minimum Service Level and Above sub-total	-												
		Electricity (< min.service level)													
		Electricity - prepaid (< min. service level)													
		Other energy sources													
		Below Minimum Service Level sub-total	-												
		Total number of households													
		Refuse:													
		Removed at least once a week													
		Minimum Service Level and Above sub-total	-												
		Removed less frequently than once a week													
		Using communal refuse dump													
		Using own refuse dump													
		Other rubbish disposal													
		No rubbish disposal													
		Below Minimum Service Level sub-total	-												
		Total number of households													

References

1. Monthly household income threshold. Should include all sources of income.
2. Show the poverty analysis the municipality uses to determine its indigents policy and the provision of services
3. Include total of all housing units within the municipality
4. Number of subsidised dwellings to be constructed by the municipality under agency agreement with province
5. Provide estimate based on building approval information. Include any non-subsidised dwellings constructed by the municipality
6. Insert actual or estimated % increases assumed as a basis for budget calculations
7. Insert actual or estimated % collection rate assumed as a basis for budget calculations for each revenue group
8. Stand distance <= 200m from dwelling
9. Stand distance > 200m from dwelling
10. Borehole, spring, rain-water tank etc.
11. Must agree to total number of households in municipal area
12. Household income categories assume an average 4 person household. Stats SA - Census 2011 Questionnaire
13. Based on National poverty line of R515 per capita per month (2008 prices), assuming an average household size of 4 persons



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi Supporting Table SA10 Funding measurement																
Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework						
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16				
Funding measures																
Cash/cash equivalents at the year end - R'000	18(1)b	1	260,699	416,502	706,042	700,228	830,232	830,762	830,762	925,899	953,422	792,476				
Cash + investments at the yr end less applications - R'000	18(1)b	2	(709,402)	(347,927)	8,869	424,033	1,364,892	1,364,893	1,364,893	784,745	808,878	1,774,353				
Cash year end/monthly employee/supplier payments	18(1)b	3	1.5	2.4	3.5	3.2	3.7	3.7	3.7	4.1	3.9	3.1				
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(231,250)	94,814	239,731	5,144	8,793	8,792	8,792	449,743	268,828	252,391				
Service charge rev % change - macro CPIX target exclusive	18(1)a.(2)	5	N.A.	14.3%	9.1%	8.5%	(4.3%)	(6.0%)	(6.0%)	2.2%	2.8%	2.0%				
Cash receipts % of Ratepayer & Other revenue	18(1)a.(2)	6	89.0%	94.1%	99.7%	90.4%	111.3%	111.3%	111.3%	86.1%	94.4%	92.9%				
Debt impairment expense as a % of total billable revenue	18(1)a.(2)	7	15.5%	4.9%	2.6%	9.8%	9.6%	9.6%	9.6%	4.9%	4.3%	3.8%				
Capital payments % of capital expenditure	18(1)c.19	8	88.0%	179.4%	(66.4%)	100.0%	85.2%	85.2%	85.2%	69.2%	77.8%	99.3%				
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	231.6%	(214.7%)	83.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
Grants % of Govt. legislated/gazetted allocations	18(1)a	10														
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(34.2%)	547.7%	42.7%	0.0%	0.0%	0.0%	46.4%	(14.6%)	(11.3%)				
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.3%	4.9%	1.9%				
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.9%	1.0%	0.6%	1.3%	1.3%	1.3%	1.4%	1.5%	1.5%	2.0%				
Asset renewal % of capital budget	20(1)(vi)	14	54.4%	79.9%	0.0%	52.1%	56.2%	56.2%	0.0%	60.7%	71.1%	75.4%				

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget



Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)											
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)											
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection											
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection											
Supporting indicators											
% incr total service charges (incl prop rates)	18(1)a			20.3%	15.1%	14.5%	1.7%	0.0%	0.0%	8.2%	8.0%
% incr Property Tax	18(1)a			7.8%	13.1%	13.7%	2.2%	0.0%	0.0%	3.3%	5.6%
% incr Service charges - electricity revenue	18(1)a			23.9%	19.9%	16.8%	0.0%	0.0%	0.0%	10.0%	10.0%
% incr Service charges - water revenue	18(1)a			26.4%	6.8%	10.1%	7.0%	0.0%	0.0%	11.5%	5.4%
% incr Service charges - sanitation revenue	18(1)a			34.6%	4.8%	6.0%	9.9%	0.0%	0.0%	5.5%	5.4%
% incr Service charges - refuse revenue	18(1)a			23.0%	6.9%	12.4%	(6.6%)	0.0%	0.0%	5.5%	5.5%
% incr in Service charges - other	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		1,615,187	1,941,645	2,233,102	2,556,770	2,603,323	2,603,323	2,603,322	2,811,943	3,307,769
Service charges			1,599,616	1,924,332	2,215,158	2,537,236	2,579,373	2,579,373	2,579,373	2,791,688	3,037,705
Property rates			440,315	474,615	536,555	610,214	623,903	623,903	623,903	644,671	702,973
Service charges - electricity revenue			816,173	1,011,459	1,212,660	1,416,917	1,417,115	1,417,115	1,417,115	1,558,827	1,714,709
Service charges - water revenue			213,633	270,107	288,345	317,354	339,545	339,545	339,545	378,445	398,902
Service charges - sanitation revenue			76,207	102,592	107,507	114,000	125,263	125,263	125,263	132,153	139,281
Service charges - refuse removal			53,287	65,559	70,091	78,752	73,547	73,547	73,547	77,592	81,841
Service charges - other			-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			15,571	17,313	17,944	19,534	23,949	23,949	23,948	20,255	22,889
Capital expenditure excluding capital grant funding			97,626	26,495	74,889	-	93,037	93,037	93,037	59,999	50,000
Cash receipts from ratepayers	18(1)a		1,969,438	2,356,073	2,799,143	2,360,144	3,001,215	3,001,215	3,001,215	2,466,204	2,941,311
Ratepayer & Other revenue	18(1)a		2,213,850	2,502,618	2,806,204	2,610,486	2,697,307	2,697,307	2,697,306	2,865,476	3,115,581
Change in consumer debtors (current and non-current)			78,268	(44,281)	467,643	244,275	244,275	244,275	244,275	366,301	(167,955)
Operating and Capital Grant Revenue	18(1)a		355,033	385,630	500,669	365,204	422,369	422,369	422,369	767,006	606,338
Capital expenditure - total	20(1)(vi)		176,033	111,149	223,563	230,014	309,756	309,756	309,756	443,158	264,271
Capital expenditure - renewal	20(1)(vi)		95,810	88,822	-	119,912	174,103	174,103	174,103	268,858	187,929



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi Supporting Table SA10 Funding measurement														
Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework					
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16		
Supporting benchmarks														
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%	5.4%	5.4%
DoRA operating grants total MFY														
DoRA capital grants total MFY														
Provincial operating grants														
Provincial capital grants														
District Municipality grants														
Total gazetted/advised national, provincial and district grants														
Average annual collection rate (ar-rears inclusive)										-	-	-	-	-
DoRA operating														
List operating grants										-	-	-	-	-
DoRA capital														
List capital grants														
Trend														
Change in consumer debtors (current and non-current)			78,268	(44,281)	467,643	244,275	366,301	(167,955)	(111,808)	-	-	-	-	-
Total Operating Revenue			2,575,640	2,902,000	3,332,779	2,987,790	3,138,032	3,138,032	3,138,031	3,291,485	3,545,103	3,814,105		
Total Operating Expenditure			2,806,890	2,807,186	3,093,048	2,982,646	3,129,239	3,129,239	3,129,240	3,224,899	3,480,545	3,764,103		
Operating Performance Surplus/(Deficit)			(231,250)	94,814	239,731	5,144	8,793	8,792	8,792	66,585	64,557	50,001		
Cash and Cash Equivalents (30 June 2012)										925,899				
Revenue														
% Increase in Total Operating Revenue			12.7%	12.7%	14.8%	(10.4%)	5.0%	0.0%	(0.0%)	4.9%	7.7%	7.6%		
% Increase in Property Rates Revenue			6.7%	12.7%	12.7%	14.1%	0.0%	0.0%	0.0%	5.4%	9.4%	5.6%		
% Increase in Electricity Revenue			23.9%	19.9%	19.9%	16.8%	0.0%	0.0%	0.0%	10.0%	10.0%	10.0%		
% Increase in Property Rates & Services Charges			20.3%	15.1%	15.1%	14.5%	1.7%	0.0%	0.0%	8.2%	8.8%	8.0%		

2013/14 to 2015/16



KZN225 Msunduzi Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure												
% Increase in Total Operating Expenditure				0.0%	10.2%	(3.6%)	4.9%	0.0%	0.0%	3.1%	7.9%	8.1%
% Increase in Employee Costs				1.2%	5.1%	7.1%	2.6%	0.0%	0.0%	6.5%	5.1%	5.2%
% Increase in Electricity Bulk Purchases				28.3%	26.1%	16.8%	31.0%	0.0%	0.0%	(20.1%)	12.3%	7.0%
Average Cost Per Budgeted Employee Position (Remuneration)					211558.5043	249271.5982				272439.3092		
Average Cost Per Councillor (Remuneration)					430503.5068	465758.2055				498890.4247		
R&M % of PPE			1.9%	1.0%	0.6%	1.3%	1.3%	1.3%		1.5%	1.5%	2.0%
Asset Renewal and R&M as a % of PPE			3.0%	2.0%	1.0%	3.0%	4.0%	4.0%		5.0%	4.0%	5.0%
Debt Impairment % of Total Billable Revenue			15.5%	4.9%	2.6%	9.8%	9.6%	9.6%	9.6%	4.9%	4.3%	3.8%
Capital Revenue												
Internally Funded & Other (R'000)			-	-	74,889	-	45,962	45,962	45,962	60,000	60,000	50,000
Borrowing (R'000)			97,626	26,495	-	-	47,075	47,075	47,075	-	-	-
Grant Funding and Other (R'000)			78,407	84,654	148,674	230,014	216,719	216,719	216,719	383,158	204,271	202,390
Internally Generated funds % of Non Grant Funding			0.0%	0.0%	100.0%	0.0%	49.4%	49.4%	49.4%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding			100.0%	100.0%	0.0%	0.0%	50.6%	50.6%	50.6%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			44.5%	76.2%	66.5%	100.0%	70.0%	70.0%	70.0%	86.5%	77.3%	80.2%
Capital Expenditure												
Total Capital Programme (R'000)			176,033	111,149	223,563	230,014	309,756	309,756	309,756	443,158	264,271	252,390
Asset Renewal			95,810	88,822	-	119,912	174,103	174,103	174,103	268,858	187,929	190,400
Asset Renewal % of Total Capital Expenditure			54.4%	79.9%	0.0%	52.1%	56.2%	56.2%	56.2%	60.7%	71.1%	75.4%
Cash												
Cash Receipts % of Rate Payer & Other			89.0%	94.1%	99.7%	90.4%	111.3%	111.3%	111.3%	86.1%	94.4%	92.9%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			4.0%	2.5%	2.3%	3.3%	2.9%	2.9%	2.9%	3.4%	2.9%	2.6%
Borrowing Receipts % of Capital Expenditure			231.6%	(214.7%)	83.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves												



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi Supporting Table SA10 Funding measurement																
Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework						
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16				
Surplus/(Deficit)			(709,402)	(347,927)	8,869	424,033	1,364,892	717,583	1,364,893	784,745	808,878	1,774,353				
Free Services																
Free Basic Services as a % of Equitable Share			19.6%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%				
"Free Services as a % of Operating Revenue (excl operational transfers)"			3.2%	10.6%	0.0%	12.9%	12.5%	12.5%		12.5%	12.4%	12.4%				
High Level Outcome of Funding Compliance																
Total Operating Revenue			2,575,640	2,902,000	3,332,779	2,987,790	3,138,032	3,138,032	3,138,031	3,291,485	3,545,103	3,814,105				
Total Operating Expenditure			2,806,890	2,807,186	3,093,048	2,982,646	3,129,239	3,129,239	3,129,240	3,224,899	3,480,545	3,764,103				
Surplus/(Deficit) Budgeted Operating Statement			(231,250)	94,814	239,731	5,144	8,793	8,792	8,792	66,585	64,557	50,001				
Surplus/(Deficit) Considering Reserves and Cash Backing			(940,651)	(253,114)	248,601	429,177	1,373,685	726,375	1,373,685	851,330	873,436	1,824,354				
MTREF Funded (1) / Unfunded (0)		15	0	0	1	1	1	1	1	1	1	1				
MTREF Funded ✓ / Unfunded x		15	x	x	✓	✓	✓	✓	✓	✓	✓	✓				

References

15. Subject to figures provided in Schedule.



KZN225 Msunduzi - Supporting Table SA11 Property rates summary															
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework							
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16					
Valuation: Date of valuation: Financial year valuation used Municipal by-laws s6 in place? (Y/N) Municipal/assistant valuer appointed? (Y/N) Municipal partnership s38 used? (Y/N) No. of assistant valuers (FTE) No. of data collectors (FTE) No. of internal valuers (FTE) No. of external valuers (FTE) No. of additional valuers (FTE) Valuation appeal board established? (Y/N) Implementation time of new valuation roll (mths)	1	7/1/2008 2008/2009 Yes Yes	7/1/2008 2009/2010 Yes Yes	7/1/2008 2010/2011 Yes Yes	7/1/2008 2011/2012 Yes Yes			2012/2013 Yes							
	2														
	3	35	-		-	no	no	No							
	3	154	-		-	nil	nil	Nil							
	3	1	4		4	5	5	5							
	3	34	-		-	nil	nil								
	4	-	-		-	nil	nil	Nil							
		No	Yes	Yes	Yes			Yes							
	5	12													
	5	89,000				91,371	91,371	92,000							
	5	2,000				10,000	10,000	10,200							
		Nil	-	-	-	Nil	Nil	Nil							
		1	SV4	SV4	SV4	6	6	2							
		14,177	843	843	843	2,300	2,300	500							
		8,832	10	10	10	8	8	10							
			248	248	248	Nil	Nil	Nil							
	8							Unknown							
	8														
		SV1				SV6	SV6	SV7 + 8							
	5	297	297	297	297										
		2,198	2,198	2,198	2,198	2,198	2,198	2,198							
Valuation reductions: Valuation reductions-public infrastructure (Rm) Valuation reductions-nature reserves/park (Rm) Valuation reductions-mineral rights (Rm) Valuation reductions-R15,000 threshold (Rm) Valuation reductions-public worship (Rm) Valuation reductions-other (Rm)															
Total valuation reductions: Total value used for rating (Rm) Total land value (Rm)	5	-	-	-	-	-	-	-							
	5														



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA11 Property rates summary												
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework				
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16		
Total value of improvements (Rm)	5											
Total market value (Rm)	5											
Rating: Residential rate used to determine rate for other categories? (Y/N) Differential rates used? (Y/N) Limit on annual rate increase (s20)? (Y/N) Special rating area used? (Y/N) Phasing-in properties s21 (number) Rates policy accompanying budget? (Y/N) Fixed amount minimum value (R'000) Non-residential prescribed ratio s19? (%)	5	No	No	No	No	Yes	No	No	Yes	No	No	
	5	Yes	Yes	Yes	Yes	No	No	No	No	No	No	
	5	No	No	No	No	No	No	No	No	No	No	
	5	No	No	No	No	No	No	No	No	No	No	
	5	No	No	No	No	No	No	No	No	No	No	
	5	No	60	60	60	60	60	150				
	5	No	No	No	No			No				
	6	338,346			1,719,649			538,820	565,761	594,049		
	6	307,839			1,539,086			457,997	486,554	516,823		
	7	91.0%			89.5%			85.0%	86.0%	87.0%		
Special rating areas (R'000) Rebates, exemptions - indigent (R'000) Rebates, exemptions - pensioners (R'000) Rebates, exemptions - bona fide farm. (R'000) Rebates, exemptions - other (R'000)		13,840										
		259				446	446	477	511	546		
		23				1,678	1,678	1,796	1,921	2,056		
		86,835										
						4,825	4,825	3,618	2,714	2,035		
Phase-in reductions/discounts (R'000)												
Total rebates, exemptions, reductions, discs (R'000)		100,957	-	-	-	-	6,949	5,891	5,146	4,637		

References

1. All numbers to be expressed as whole numbers except FTEs and Rates in the Rand
2. To give effect to rates policy
3. Full Time Equivalent (FTE) should be expressed to one decimal place and takes into account full time and part time staff
4. Required to implement new system (FTE)
5. Provide relevant information for historical comparisons. Must reconcile to the total of Table SA12
6. Current and budget year must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
7. Included in rate revenue budget
8. In favour of the rate-payer

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA12a Property rates by category (current year)																		
Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/Is	Public benefit organs.	Mining Props.	
Current Year 2012/13																		
Valuation:																		
No. of properties		70,052	5,403	-	271	-	9,789	2,888	-	-	3				4	-	81	3
No. of sectional title property values		9,300	700															
No. of unreasonably difficult properties s7(2)		-	-	-	-													
No. of supplementary valuations																		
Supplementary valuation (Rm)																		
No. of valuation roll omenements																		
No. of abjections by rate-payers																		
No. of appeals by rate-payers																		
No. of appeals by rate-payers finalised																		
No. of successful objections	5																	
No. of successful objections > 10%	5																	
Estimated na. of properties not valued																		
Years since lost valuation (select)																		
Frequency of valuation (select)																		
Method of valuation used (select)																		
Base of valuation (select)																		
Phosing-in properties s21 (number)																		
Combination of roting types used? (Y/N)																		
Flat rate used? (Y/N)																		
Is balance rated by uniform rate/variable rate?																		
Valuation reductions:																		
Valuation reductions-public infrastructure (Rm)																		
Valuation reductions-nature reserves/park (Rm)																		
Valuation reductions-mineral rights (Rm)																		
Valuation reductions-R15,000 threshold (Rm)		1,022																
Valuation reductions-public worship (Rm)																		
Valuation reductions-ather (Rm)																		
2																		
Total valuation reductions:																		
Total volue used for rating (Rm)	6																	
Total land value (Rm)	6																	
Total value of improvements (Rm)	6																	
Total market value (Rm)	6																	
Rating:																		
Average rate	3	0.01100		0.019600	0.002700			0.002700			0.013000							0.019600
Rate revenue budget (R '000)		227,019		275,064	535			443			339							
Rate revenue expected to collect (R'000)		183,886		228,303	482			337			-							
Expected cash collection rate (%)	4	81.0%		83.0%	90.0%			76.0%			0.0%							
Special roling areos (R'000)																		
Rebates, exemptions - indigent (R'000)																		
Rebates, exemptions - pensioners (R'000)		477																
Rebates, exemptions - bana tide form. (R'000)		1,796																



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA 12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/Is	Public benefit organs.	Mining Props.
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)		3,618															
Total rebates,exemptins,reducins,discs (R'000)																	

References

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
2. Include value of additional reductions is 'free' value greater than MPRA minimum.
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026. expressed to 6 decimal places maximum
4. Include arrears collections
5. In favour of the rate-payer
6. Provide relevant information for historical comparisons.

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA12b Property rates by category (budget year)																		
	Description	Ref	Resi.	Indusi.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/Is	Public benefit organs.	Mining Props.
Budget Year 2013/14																		
Valuation:																		
	No. of properties																	
	No. of sectional title property values																	
	No. of unreasonably difficult properties s7(2)																	
	No. of supplementary valuations																	
	Supplementary valuation (Rm)																	
	No. of valuation roll omdements																	
	No. of objections by rate-payers																	
	No. of appeals by rate-payers																	
	No. of appeals by rate-payers finalised	5																
	No. of successful objections	5																
	No. of successful objections > 10%																	
	Estimated na. of properties not valued																	
	Years since last valuation (select)																	
	Frequency of valuation (select)																	
	Method of valuation used (select)																	
	Base of valuation (select)																	
	Phasing-in properties s21 (number)																	
	Combination of rating types used? (Y/N)																	
	Flat rate used? (Y/N)																	
	Is balance rated by uniform rate/variable rate?																	
	Valuation reductions:																	
	Valuation reductions-public infrastructure (Rm)																	
	Valuation reductions-nature reserves/poik (Rm)																	
	Valuation reductions-mineral rights (Rm)																	
	Valuation reductions-R15,000 threshold (Rm)																	
	Valuation reductions-public worship (Rm)																	
	Valuation reductions-other (Rm)	2																
	Total valuation reductions:																	
	Total value used for rating (Rm)	6																
	Total land value (Rm)	6																
	Total value of improvements (Rm)	6																
	Total market value (Rm)	6																
	Rating:																	
	Average rate	3	0.01100															0.019600
	Rate revenue budget (R '000)		227,019															
	Rate revenue expected to collect (R'000)		183,886															
	Expected cash collection rate (%)	4	81.0%															
	Special rating areas (R'000)																	
	Rebates, exemptions - indigent (R'000)																	
	Rebates, exemptions - pensioners (R'000)		477															
	Rebates, exemptions - bana fide form. (R'000)		1,796															



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA 12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/Is	Public benefit organs.	Mining Props.
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)		3,618															
Total rebates,exemptins,reductiuns,discs (R'000)																	

References

1. Land & Assistance Act; Restitution of Land Rights; Communal Property Associations
2. Include value of additional reductions is 'free' value greater than MPRA minimum.
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026. expressed to 6 decimal places maximum
4. Include arrears collections
5. In favour of the rate-payer
6. Provide relevant information for historical comparisons.

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA13a Service Tariffs by category							
Description	Ref	Provide description of tariff structure where appropriate	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework Budget Year 2013/14 Budget Year +1 2014/15 Budget Year +2 2015/16
Property rates (rate in the Rand)	1						
Residential properties					0.0104	0.0111	0.0213
Residential properties - vacant land					0.0189	0.0202	0.0213
Formal/informal settlements							
Small holdings							
Farm properties - used							
Farm properties - not used					0.0026	0.0027	0.0028
Industrial properties							
Business and commercial properties							
Communal land - residential					0.0161	0.0141	0.0184
Communal land - small holdings					0.0161	0.0141	0.0184
Communal land - farm property					0.0161	0.0141	0.0184
Communal land - business and commercial					0.0161	0.0141	0.0184
Communal land - other					0.0161	0.0141	0.0184
State-owned properties							
Municipal properties							
Public service infrastructure							
Privately owned towns serviced by the owner							
State trust land					0.0026	0.2700	0.0028
Restitution and redistribution properties							
Protected areas							
National monuments properties							
Exemptions, reductions and rebates (Rands)							
Residential properties							
R15 000 threshold rebate			15,000	15,000	15,000	15,000	15,000
General residential rebate							
Indigent rebate or exemption							
Pensioners/social grants rebate or exemption							
Temporary relief rebate or exemption							
Bona fide farmers rebate or exemption							
Other rebates or exemptions	2						
Water tariffs							
Domestic							



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA13a Service Tariffs by category									
Description	Ref	Provide description of tariff structure where appropriate	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework		
							Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Basic charge/fixed fee (Rands/month)		0-6 Balance on a sliding scale			-	15	17	18	19
Service point - vacant land (Rands/month)		Sliding indigent scale up to 2009/10							
Water usage - flat rate tariff (c/kl)		0-6		-	33	37	41	44	47
Water usage - life line tariff		7-12			11	13	14	15	16
Water usage - Block 1 (c/kl)		13 and more			17	19	20	22	23
Water usage - Block 2 (c/kl)		(fill in thresholds)			19	22	24	25	27
Water usage - Block 3 (c/kl)									
Water usage - Block 4 (c/kl)									
Other	2								
Waste water tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)		Flat rate Domestic			102	109	115	121	128
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/kl)									
Volumetric charge - Block 1 (c/kl)		(fill in structure)			102	109	115	121	128
Volumetric charge - Block 2 (c/kl)		(fill in structure)			5	6	6	6	7
Volumetric charge - Block 3 (c/kl)		(fill in structure)			6	6	6	7	7
Volumetric charge - Block 4 (c/kl)									
Other	2								
Electricity tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)		(how is this targeted?)			16	18	19	21	22
Service point - vacant land (Rands/month)		(describe structure)			71	82	90	99	105
FBE		(describe structure)							
Life-line tariff - meter									
Life-line tariff - prepaid									
Flat rate tariff - meter (c/kwh)									
Flat rate tariff - prepaid(c/kwh)									
Meter - IBT Block 1 (c/kwh)		(fill in thresholds)			51	59	64	69	75
Meter - IBT Block 2 (c/kwh)		(fill in thresholds)			51	59	64	69	75
Meter - IBT Block 3 (c/kwh)		(fill in thresholds)			53	62	68	73	79
Meter - IBT Block 4 (c/kwh)		(fill in thresholds)			11	13	14	15	16
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)			51	59	65	70	76

2013/14 to 2015/16



Description	Ref	Provide description of tariff structure where appropriate	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework		
							Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
(insert extra blocks if necessary)									
Prepaid - IBT Block 1 (c/kwh)		(fill in thresholds)			87	101	111	120	130
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
Other	2	(fill in thresholds)							
Waste management tariffs									
Domestic									
Street cleaning charge									
Basic charge/fixed fee									
80l bin - once a week									
250l bin - once a week									
Availability Charge									

References

1. If properties are not rated or zero rated this must be indicated as such
2. Please provide detailed descriptions on Sheet SA13b



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA13b Service Tariffs by category - explanatory									
Description	Ref	Provide description of tariff structure where appropriate	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework		
							Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Exemptions, reductions and rebates (Rands) (Insert lines as applicable)									
Water tariffs (Insert blocks as applicable)		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)							
Waste water tariffs (Insert blocks as applicable)		(fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure)							
Electricity tariffs (Insert blocks as applicable)		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)							

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA13b Service Tariffs by category - explanatory									
Description	Ref	Provide description of tariff structure where appropriate	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework		
							Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)							



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA14 Household bills											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14 % incr.	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		367.38	553.13	596.22	633.22	633.22	633.22	5.5%	668.05	704.80	743.57
Electricity: Basic levy		125.44	177.04	220.06	283.56	283.56	283.56	10.0%	311.92	343.12	377.44
Electricity: Consumption		245.28	346.23	430.35	456.78	456.78	456.78	10.0%	502.46	552.71	607.99
Water: Basic levy		26.53	27.88	35.25	32.21	32.21	32.21	10.0%	35.44	38.99	42.89
Water: Consumption		214.32	225.12	284.63	260.15	260.15	260.15	10.0%	286.17	314.79	346.27
Sanitation		81.72	87.44	117.71	101.04	101.04	101.04	5.5%	106.60	112.47	118.66
Refuse removal		52.86	56.56	69.58	65.36	65.36	65.36	5.5%	68.96	72.76	76.77
Other											
sub-total		1,113.53	1,473.40	1,753.81	1,832.32	1,832.32	1,832.32	8.0%	1,979.60	2,139.64	2,313.59
VAT on Services											
Total large household bill:		1,113.53	1,473.40	1,753.81	1,832.32	1,832.32	1,832.32	8.0%	1,979.60	2,139.64	2,313.59
% increase/-decrease			32.3%	19.0%	4.5%	-	-		8.0%	8.1%	8.1%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		110.22	146.88	158.32	168.14	168.14	168.14	5.5%	177.39	187.15	197.45
Electricity: Basic levy		138.88	177.04	220.06	233.56	233.56	233.56	10.0%	256.92	282.62	310.89
Electricity: Consumption		135.24	172.42	218.00	227.47	227.47	227.47	10.0%	250.22	275.25	302.78
Water: Basic levy		26.53	27.88	35.25	32.21	32.21	32.21	10.0%	35.44	38.99	42.89
Water: Consumption		169.67	178.22	225.33	205.95	205.95	205.95	10.0%	226.55	249.21	274.14
Sanitation		81.72	87.44	117.71	101.04	101.04	101.04	5.5%	106.60	112.47	118.66
Refuse removal		52.86	56.56	69.58	65.36	65.36	65.36	5.5%	68.96	72.76	76.77
Other											
sub-total		715.12	846.44	1,044.26	1,033.73	1,033.73	1,033.73	8.5%	1,122.08	1,218.45	1,323.58
VAT on Services											
Total small household bill:		715.12	846.44	1,044.26	1,033.73	1,033.73	1,033.73	8.5%	1,122.08	1,218.45	1,323.58
% increase/-decrease			18.4%	23.4%	(1.0%)	-	-		8.5%	8.6%	8.6%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates					1,560.00	1,560.00	1,560.00	5.5%	1,645.80	1,736.32	1,831.82
Electricity: Basic levy											

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA14 Household bills																
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework								
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14 % incl.	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16					
Rand/cent																
Electricity: Consumption		2.45	3.13		141.71	141.71	141.71	10.0%	155.89	171.48	188.63					
Water: Basic levy																
Water: Consumption					32.52	32.52	32.52	10.0%	35.78	39.36	43.30					
Sanitation					51.00	51.00	51.00	5.5%	53.81	56.77	62.45					
Refuse removal					32.98	32.98	32.98	5.5%	34.80	36.72	38.74					
Other																
sub-total		2.45	3.13	-	1,818.21	1,818.21	1,818.21	5.9%	1,926.08	2,040.65	2,164.94					
VAT on Services																
Total small household bill:		2.45	3.13	-	1,818.21	1,818.21	1,818.21	5.9%	1,926.08	2,040.65	2,164.94					
% increase/-decrease			27.8%	(100.0%)	-	-	-		5.9%	5.9%	6.1%					

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		118,689	282,404	561,104	511,957	648,305	648,305	539,091	565,506	593,706
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	118,689	282,404	561,104	511,957	648,305	648,305	539,091	565,506	593,706
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		118,689	282,404	561,104	511,957	648,305	648,305	539,091	565,506	593,706

References

1. Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA16 Investment particulars by maturity												
Investments by Maturity		Ref	Period of Investment	Type of Investment	"Capital Guarantee (Yes/ No)"	Variable or Fixed interest rate	"Interest Rate 3."	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID		1	Yrs/Months								Rand thousand	
Parent municipality												
Call - ABSA (Land Sales)				Call			5.05%				1,384	70
Call - RMB (Airport Dev Fund).				Call			5%				1,971	99
Call - RMB (Metro Trans Fund)				Call			5%				1,142	57
Call - RMB (Almond Bank Dev)				Call			5%				50,729	2,536
Call - RMB (MIG Grant)				Call			5%				126,068	6,303
Call - RMB (Unspent Conditional Grant)				Call			5%				338,587	16,929
Call - RMB (General Investments)				Call			5%				1,749	87
Call - RMB (Sale of Assets)				Call			5%				1,400	70
Call - RMB (Insurance Fund)				Call			5%				9,120	456
Call - RMB (Land sales)				Call			5%				1,686	84
Fixed - ABSA (WCA) - 12 Months				Fixed			6.40%				5,256	336
Municipality sub-total											539,091	27,029
Entities												
Entities sub-total											-	-
TOTAL INVESTMENTS AND INTEREST		1									539,091	27,029

References

1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)
2. List investments in expiry date order
3. If 'variable' is selected in column F, input interest rate range



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA17 Borrowing									
Borrowing - Categorized by type		Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework				
Ref	R thousand	2009/10		2010/11		2011/12		2012/13	
		Audited Outcome		Audited Outcome		Audited Outcome		Original Budget	Adjusted Budget
		570,129	518,942	577,963	647,309	573,000	503,000	430,000	
1		570,129	518,942	577,963	647,309	573,000	503,000	430,000	
		-	-	-	-	-	-	-	-
1		570,129	518,942	577,963	647,309	573,000	503,000	430,000	
		-	-	-	-	-	-	-	-
1		570,129	518,942	577,963	647,309	573,000	503,000	430,000	

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA17 Borrowing											
Borrowing - Categoricalised by type		Ref	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Unspent Borrowing - Categoricalised by type											
Parent municipality											
Long-Term Loans (annuity/reducing balance)			570,129	518,942	577,963	647,309	-	647,309	573,000	503,000	430,000
Long-Term Loans (non-annuity)											
Local registered stock											
Instalment Credit											
Financial Leases											
PPP liabilities											
Finance Granted By Cap Equipment Supplier											
Marketable Bonds											
Non-Marketable Bonds											
Bankers Acceptances											
Financial derivatives											
Other Securities											
Municipality sub-total		1	570,129	518,942	577,963	647,309	-	647,309	573,000	503,000	430,000
Entities											
Long-Term Loans (annuity/reducing balance)											
Long-Term Loans (non-annuity)											
Local registered stock											
Instalment Credit											
Financial Leases											
PPP liabilities											
Finance Granted By Cap Equipment Supplier											
Marketable Bonds											
Non-Marketable Bonds											
Bankers Acceptances											
Financial derivatives											
Other Securities											
Entities sub-total		1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing		1	570,129	518,942	577,963	647,309	-	647,309	573,000	503,000	430,000

References

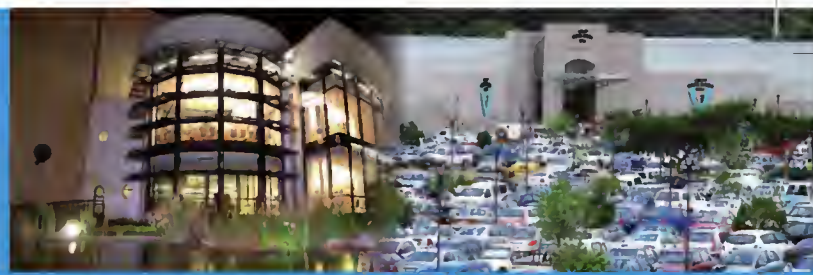
1. Total borrowing must reconcile to Budgeted Financial Position (Borrowing - non-current)



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		203,378	267,375	310,326	342,704	342,704	342,704	362,139	380,211	400,117
Local Government Equitable Share		199,824	267,211	304,835	338,903	338,903	338,903	354,313	373,677	393,300
Finance Management		750	165	1,979	1,500	1,500	1,500	1,550	1,600	1,650
Municipal Systems Improvement		400		978	800	800	800	890	934	967
EPWP Incentive					1,501	1,501	1,501	1,874		
Electricity Demand Side Management		2,404		2,534						
Water Services Operating Subsidy										
Other transfers/grants (insert description)										
Provincial Government:		10,548	33,467	4,074	22,500	22,500	22,500	21,709	21,856	22,863
Health subsidy		9,161		-						
Provincial Government:			20,979	1,207						
Health subsidy				-						
Expanded Public Works Grant				2,868						
Operating Grant - Property Rates		1,387								
Health			12,488		2,537	2,537	2,537			
Human Settlements					9,000	9,000	9,000			
Public Works										
Arts and Culture					10,963	10,963	10,963	21,709	21,856	22,863
District Municipality:		-	-	-	-	-	-	-	-	-
(insert description)										
Other grant providers:		-	-	-	-	-	-	-	-	-
(insert description)										
Total Operating Transfers and Grants	5	213,926	300,842	314,400	365,204	365,204	365,204	383,848	402,067	422,980
Capital Transfers and Grants										
National Government:		125,649	73,225	138,340	208,599	160,485	160,485	383,158	204,271	202,390
Municipal Infrastructure Grant (MIG)		91,339	48,348	138,340	153,399	150,170	150,170	151,312	159,271	170,390
Public Transport and Systems		7,737	11,663		45,000	-	-	100,846	-	-
Neighbourhood Development Partnership					700	70	70		10,000	10,000
Rural Households Infrastructure					4,500	-	-			
Dept of Mineral/Electricity			3,757							
Integrated National Electrification Programme					5,000	5,000	5,000	8,000	5,000	10,000
								123,000	30,000	12,000

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA18 Transfers and grant receipts											
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Other capital transfers/grants (insert description)			26,573	9,457			245	245			
Provincial Government:			-	11,429	11,836	21,415	56,234	56,234	-	-	-
Airport Development Project				11,429	11,836	19,315	16,760	16,760	-	-	
Sport and Recreation						2,100	2,100	2,100			
Carriidar Development							37,289	37,289		-	-
KZNPA							85	85			
District Municipality:			-	-	-	-	-	-	-	-	-
(insert description)											
Other grant providers:			-	-	-	-	135	135	-	-	-
Carnegie							135	135			
Total Capital Transfers and Grants		5	125,649	84,654	150,176	230,014	216,854	216,854	383,158	204,271	202,390
TOTAL RECEIPTS OF TRANSFERS & GRANTS			339,575	385,496	464,576	595,218	582,058	582,058	767,006	606,338	625,370

References

1. Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation
2. Amounts actually RECEIVED; not revenue recognised (objective is to confirm grants transferred)
3. Replacement of RSC levies
4. Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality
5. Total transfers and grants must reconcile to Budgeted Cash Flows
6. Motor vehicle licensing refunds to be included under 'agency' services (Nat Grant Receipts)



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA19 Expenditure on transfers and grant programme											
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
EXPENDITURE:		1									
Operating expenditure of Transfers and Grants											
National Government:			202,978	267,375	310,326	342,704	342,704	342,704	362,139	380,211	400,117
Local Government Equitable Share			199,824	267,211	304,835	338,903	338,903	338,903	354,313	373,677	393,300
Finance Management			750	165	1,979	1,500	1,500	1,500	1,550	1,600	1,650
Municipal Systems Improvement					978	800	800	800	890	934	967
EPWP Incentive						1,501	1,501	1,501	1,874		
Electricity Demand Side Management			2,404		2,534						
Water Services Operating Subsidy											
Other transfers/grants (insert description)									3,512	4,000	4,200
Provincial Government:			-	-	4,074	22,500	22,500	22,500	21,709	21,856	22,863
Health subsidy						2,537	2,537	2,537			
Provincial Government:					1,207						
Operating Grant - Property Rates					2,868	10,963	10,963	10,963			
Public Works									21,709	21,856	22,863
Arts and Culture											
Human Settlements						9,000	9,000	9,000			
District Municipality:			-	-	-	-	-	-	-	-	-
(insert description)											
Other grant providers:			-	-	-	-	-	-	-	-	-
(insert description)											
Total operating expenditure of Transfers and Grants:			202,978	267,375	314,400	365,204	365,204	365,204	383,848	402,067	422,980
Capital expenditure of Transfers and Grants											
National Government:			-	-	-	208,599	160,485	160,485	383,158	204,271	202,390
Municipal Infrastructure Grant (MIG)						153,399	150,170	150,170	151,312	159,271	170,390
Public Transport and Systems						45,000	-	-	100,846	-	-
Neighbourhood Development Partnership						700	70	70		10,000	10,000
Rural Households Infrastructure						4,500	-	-			
Dept of Mineral/Electricity							5,000	5,000	8,000	5,000	10,000
Integrated National Electrification Programme						5,000	5,000	5,000	123,000	30,000	12,000
Other capital transfers/grants (insert description)							245	245			
Provincial Government:			-	-	-	21,415	56,234	56,234	-	-	-
Airport Development Project						19,315	16,760	16,760			

References

1. Expenditure must be separately listed for each transfer or grant received or recognised



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds														
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework						
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16				
R thousand														
Operating transfers and grants:	1,3													
National Government:		66,011												
Balance unspent at beginning of the year		203,378	267,375		342,704	342,704	342,704	362,139	380,211	400,117				
Current year receipts		266,861	267,375	-	342,704	342,704	342,704	362,139	380,211	400,117				
Conditions met - transferred to revenue														
Conditions still to be met - transferred to liabilities		2,528												
Provincial Government:		4,647												
Balance unspent at beginning of the year		10,548	33,467		22,500	22,500	22,500	21,709	21,856	22,863				
Current year receipts		15,195	33,467	-	22,500	22,500	22,500	21,709	21,856	22,863				
Conditions met - transferred to revenue														
Conditions still to be met - transferred to liabilities														
District Municipality:														
Balance unspent at beginning of the year														
Current year receipts		-	-	-	-	-	-	-	-	-				
Conditions met - transferred to revenue														
Conditions still to be met - transferred to liabilities														
Other grant providers:		3,483												
Balance unspent at beginning of the year														
Current year receipts		-	-	-	-	-	-	-	-	-				
Conditions met - transferred to revenue														
Conditions still to be met - transferred to liabilities		3,483												
Total operating transfers and grants revenue		282,056	300,842	-	365,204	365,204	365,204	383,848	402,067	422,980				
Total operating transfers and grants - CTBM	2	6,011	-	-	-	-	-	-	-	-				
Capital transfers and grants:	1,3													
National Government:		5,606												
Balance unspent at beginning of the year		78,141	84,654	123,053	208,599	160,485	160,485	383,158	204,271	202,390				
Current year receipts		78,408	84,654	123,053	208,599	160,485	160,485	383,158	204,271	202,390				
Conditions met - transferred to revenue														
Conditions still to be met - transferred to liabilities		5,339												
Provincial Government:														
Balance unspent at beginning of the year				25,621	21,415	56,234	56,234							
Current year receipts		-	-	25,621	21,415	56,234	56,234	-	-	-				
Conditions met - transferred to revenue														
Conditions still to be met - transferred to liabilities														

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds															
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework							
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16					
R thousand															
District Municipality:															
Balance unspent at beginning of the year															
Current year receipts						-									
Conditions met - transferred to revenue		-	-	-	-	-									
Conditions still to be met - transferred to liabilities															
Other grant providers:															
Balance unspent at beginning of the year															
Current year receipts		-	-	-	-	-									
Conditions met - transferred to revenue															
Conditions still to be met - transferred to liabilities															
Total capital transfers and grants revenue		78,408	84,654	148,674	230,014	216,719	216,719	216,719	216,719	216,719	216,719	383,158	204,271	202,390	
Total capital transfers and grants - CTBM	2	5,339	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		360,464	385,496	148,674	595,218	581,923	581,923	581,923	581,923	581,923	581,923	767,006	606,338	625,370	
TOTAL TRANSFERS AND GRANTS - CTBM		11,351	-	-	-	-	-	-	-	-	-	-	-	-	-

References

1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance
2. CTBM = conditions to be met
3. National Treasury database will require this reconciliation for each transfer/grant



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2009/10				2010/11				2011/12				Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome				Audited Outcome				Audited Outcome				Original Budget				Budget Year			
Cash Transfers to other municipalities																					
Insert description	1																				
Total Cash Transfers To Municipalities:																					
Cash Transfers to Entities/Other External Mechanisms																					
Safe City	2																				
Community Bodies																					
Mayors Grant and Arts & Culture																					
Total Cash Transfers To Entities/Ems'																					
Cash Transfers to other Organs of State																					
Insert description	3																				
Total Cash Transfers To Other Organs Of State:																					
Cash Transfers to Organisations																					
Insert description	4																				
Total Cash Transfers To Organisations																					
Cash Transfers to Groups of Individuals																					
Insert description	5																				
Total Cash Transfers To Groups Of Individuals:																					
TOTAL CASH TRANSFERS AND GRANTS	6																				
Non-Cash Transfers to other municipalities																					
Insert description	1																				
Total Non-Cash Transfers To Municipalities:																					
Non-Cash Transfers to Entities/Other External Mechanisms																					
Insert description	2																				
Total Non-Cash Transfers To Entities/Ems'																					
Non-Cash Transfers to other Organs of State																					
Insert description	3																				
Total Non-Cash Transfers To Other Organs Of State:																					

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA21 Transfers and grants made by the municipality											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Non-Cash Grants to Organisations	4										
Insert description											
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals	5										
Insert description											
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	4,342	3,967	4,144	4,500	4,500	4,500	4,500	5,027	5,274	5,563

References

1. Insert description listed by municipal name and demarcation code of recipient
2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)
3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)
4. Insert description of each other organisation (e.g. charity)
5. Insert description of each other organisation (e.g. the aged, child-headed households)
6. All descriptions should separate transfers for 'capital purposes' and 'operating purposes'



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA22 Summary councillor and staff benefits												
Summary of Employee and Councillor remuneration			Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
				A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1											
								</				

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA22 Summary councillor and staff benefits												
Summary of Employee and Councillor remuneration			Ref	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework			
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
				A	B	C	D	E	F	G	H	I
Motor Vehicle Allowance		1		33,538	33,538	10,859	14,009	7,016	21,025	7,529	35,944	28,571
Cellphone Allowance		3				800			-			
Housing Allowances		3		32,771	23,444	4,189	3,972	(485)	3,487	3,629	3,955	4,212
Other benefits and allowances		3				27,398	14,747	2,794	17,541	8,785	9,355	9,931
Payments in lieu of leave												
Long service awards						14,936	16,770	446	17,216	18,360	19,554	20,825
Post-retirement benefit obligations		6										
Sub Total - Other Municipal Staff				515,804	605,915	616,899	712,234	(5,778)	706,456	753,251	791,300	832,198
% increase		4			17.5%	1.8%	15.5%	(100.8%)	(12,326.7%)	6.6%	5.1%	5.2%
Total Parent Municipality				540,637	632,097	635,849	747,415	52,513	765,597	816,140	857,862	902,327
					16.9%	0.6%	17.5%	(93.0%)	1,357.9%	6.6%	5.1%	5.2%
Board Members of Entities												
Basic Salaries and Wages		3										
Pension and UIF Contributions		3										
Medical Aid Contributions		3										
Overtime												
Performance Bonus												
Motor Vehicle Allowance												
Cellphone Allowance												
Housing Allowances												
Other benefits and allowances												
Board Fees												
Payments in lieu of leave												
Long service awards												
Post-retirement benefit obligations		6										
Sub Total - Board Members of Entities				-	-	-	-	-	-	-	-	-
% increase		4			-	-	-	-	-	-	-	-
Senior Managers of Entities												
Basic Salaries and Wages												
Pension and UIF Contributions												



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA22 Summary councillor and staff benefits												
Summary of Employee and Councillor remuneration			Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
				A	B	C	D	E	F	G	H	I
Medical Aid Contributions			1									
Overtime												
Performance Bonus												
Motor Vehicle Allowance		3										
Cellphone Allowance		3										
Housing Allowances		3										
Other benefits and allowances		3										
Payments in lieu of leave												
Long service awards												
Post-retirement benefit obligations		6										
Sub Total - Senior Managers of Entities				-	-	-	-	-	-	-	-	-
% increase		4		-	-	-	-	-	-	-	-	-
Other Staff of Entities												
Basic Salaries and Wages												
Pension and UIF Contributions												
Medical Aid Contributions												
Overtime												
Performance Bonus												
Motor Vehicle Allowance		3										
Cellphone Allowance		3										
Housing Allowances		3										
Other benefits and allowances		3										
Payments in lieu of leave												
Long service awards												
Post-retirement benefit obligations		6										
Sub Total - Other Staff of Entities				-	-	-	-	-	-	-	-	-
% increase		4		-	-	-	-	-	-	-	-	-
Total Municipal Entities				-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS				540,637	632,097	635,849	747,415	52,513	765,597	816,140	857,862	902,327
% increase		4			16.9%	0.6%	17.5%	(93.0%)	1,357.9%	6.6%	5.1%	5.2%



KZN225 Msunduzi - Supporting Table SA22 Summary councillor and staff benefits											
Summary of Employee and Councillor remuneration		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
			A	B	C	D	E	F	G	H	I
		1	522,120	611,528	617,697	713,415	18,513	731,597	779,721	819,440	861,792
TOTAL MANAGERS AND STAFF		5,7									

References

1. Include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved
2. s57 of the Systems Act
3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance
4. B/A, C/B, D/C, E/C, F/C, G/D, H/D, I/D
5. Must agree to the sub-total appearing on Table A1 (Employee costs)
6. Includes pension payments and employer contributions to medical aid
7. Correct as at 30 June

Column Definitions:

- A, B and C. Audited actual as per the audited financial statements. If audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited
- D. The original budget approved by council for the budget year.
- E. The budget for the budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- F. An estimate of final actual amounts (pre audit) for the current year at the point in time of preparing the budget for the budget year. This may differ from E.
- G. The amount to be appropriated for the budget year.
- H and I. The indicative projection



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)										
Disclosure of Salaries, Allowances & Benefits 1.			Ref	No.	Salary	"Contributions" 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Rand per annum										
Councillors			3							
Speaker			4		660,325	57,467	136,716			854,508
Chief Whip					626,959	94,044	80,111			801,114
Executive Mayor					928,824	19,324				948,148
Deputy Executive Mayor					624,168	93,626	136,716			854,510
Executive Committee					3,995,304	500,364	1,112,125			5,607,793
Total for all other councillors					15,554,076	4,092,276	4,733,688			24,380,040
Total Councillors			8	-	22,389,656	4,857,101	6,199,357			33,446,114
Senior Managers of the Municipality			5							
Municipal Manager (MM)					873,529	113,559	360,924			1,348,012
Chief Finance Officer					781,478	76,194	188,436			1,046,108
Infra Structure					732,573	156,750	156,781			1,046,103
Economic Dev							1,046,112			1,046,112
Corporate (Acting Allowance to be confirmed)							1,046,112			1,046,112
List of each official with packages >= senior manager										
Total Senior Managers of the Municipality			8,10	-	2,387,580	346,502	2,798,365	-		5,532,448
A Heading for Each Entity			6,7							
List each member of board by designation										
Total for municipal entities			8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION			10	-	24,777,236	5,203,604	8,997,722	-		38,978,561

References

1. Pension and medical aid
2. Total package must equal the total cost to the municipality
3. List each political office bearer by designation. Provide a total for all other councillors
4. Political office bearer is defined in MFMA s 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MSA s 57)
5. Also list each senior manager reporting to MM by designation and each official with package >= senior manager by designation
6. List each entity where municipality has an interest and state percentage ownership and control
7. List each senior manager reporting to the CEO of an Entity by designation
8. Must reconcile to relevant section of Table SA24
9. Must reconcile to totals shown for the budget year of Table SA22
10. Correct as at 30 June

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA24 Summary of personnel numbers												
Summary of Personnel Numbers		Ref	2011/12		Permanent employees	Contract employees	Current Year 2012/13		Budget Year 2013/14			
Number		1,2	Positions				Positions	Permanent employees	Positions	Permanent employees	Contract employees	
Municipal Council and Boards of Municipal Entities												
Councillors (Political Office Bearers plus Other Councillors)	4		73		73		73	73	73	73		
Board Members of municipal entities	5											
Municipal employees												
Municipal Manager and Senior Managers	3		6		1	4	5	30	5	5		
Other Managers	7		114		114		80		80	80		
Professionals			3,030		3,030	-	2,777	2,584	2,777	2,777	-	
Finance			170		170		152	199	152	152		
Spatial/town planning							14	13	14	14		
Information Technology			11		11		9	6	9	9		
Roads			285		285		126	67	126	126		
Electricity			276		276		234	226	234	234		
Water			173		173		23	169	23	23		
Sanitation			93		93		75	68	75	75		
Refuse			330		330		376	369	376	376		
Other			1,692		1,692		1,768	1,467	1,768	1,768		
Technicians			-		-	-	-	-	-	-	-	
Finance												
Spatial/town planning												
Information Technology												
Roads												
Electricity												
Water												
Sanitation												
Refuse												
Other												
Clerks (Clerical and administrative)												
Service and sales workers												
Skilled agricultural and fishery workers												
Craft and related trades												
Plant and Machine Operators												
Elementary Occupations												
TOTAL PERSONNEL NUMBERS			9	3,223	3,218	4	2,935	2,687	-	2,935	2,935	-
% increase							(8.9%)	(16.5%)	(100.0%)	-	9.2%	-



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		2011/12						Current Year 2012/13			Budget Year 2013/14		
Number	Ref	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Total municipal employees headcount	1, 2												
Finance personnel headcount	6, 10												
Human Resources personnel headcount	8, 10												
	8, 10												

References

1. Positions must be funded and aligned to the municipality's current organisational structure
2. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.
3. s57 of the Systems Act
4. Include only in Consolidated Statements
5. Include municipal entity employees in Consolidated Statements
6. Include headcount (number to persons, Not FTE) of managers and staff only (exclude councillors)
7. Managers who provide the direction of a critical technical function
8. Total number of employees working on these functions
9. Correct as at 30 June
10. Must account for all budgeted positions, as per the municipal organogram

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2013/14										Medium Term Revenue and Expenditure Framework				
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Revenue By Source																
Property rates		60,731	66,804	30,365	33,206	35,072	30,365	30,365	30,365	30,365	30,365	30,365	198,938	607,308	664,116	701,442
Property rates - penalties & collection charges		3,736	4,110	1,868	1,943	2,040	1,868	1,868	1,868	1,868	1,868	1,868	12,457	37,363	38,857	40,800
Service charges - electricity revenue		155,883	171,471	77,941	85,735	94,309	77,941	77,941	77,941	77,941	77,941	77,941	505,839	1,558,827	1,714,709	1,886,180
Service charges - water revenue		37,844	41,629	18,922	19,945	21,023	18,922	18,922	18,922	18,922	18,922	18,922	125,548	378,445	398,902	420,454
Service charges - sanitation revenue		13,215	14,537	6,608	6,964	7,340	6,608	6,608	6,608	6,608	6,608	6,608	43,843	132,153	139,281	146,795
Service charges - refuse revenue		7,759	8,535	3,880	4,092	4,316	3,880	3,880	3,880	3,880	3,880	3,880	25,733	77,592	81,841	86,311
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		2,026	2,228	1,013	1,144	1,289	1,013	1,013	1,013	1,013	1,013	1,013	6,478	20,255	22,889	25,787
Interest earned - external investments		2,703	2,973	1,351	1,373	1,426	1,351	1,351	1,351	1,351	1,351	1,351	9,094	27,029	27,454	28,519
Interest earned - outstanding debtors		125	138	63	65	66	63	63	63	63	63	63	422	1,255	1,292	1,318
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		363	400	182	192	202	182	182	182	182	182	182	1,205	3,634	3,830	4,037
Licences and permits		5	5	2	3	3	2	2	2	2	2	2	16	48	50	53
Agency services		59	64	29	30	30	29	29	29	29	29	29	198	586	592	603
Transfers recognised - operational		38,385	42,223	19,192	20,103	21,149	19,192	19,192	19,192	19,192	19,192	19,192	127,641	383,848	402,067	422,980
Other revenue		4,801	5,281	2,401	2,461	2,441	2,401	2,401	2,401	2,401	2,401	2,401	16,223	48,011	49,222	48,825
Gains on disposal of PPE		1,513	-	-	-	-	-	-	-	-	-	-	13,618	15,131	-	-
Total Revenue (excluding capital transfers and contributions)		329,148	360,399	163,818	177,255	190,705	163,818	163,818	163,818	163,818	163,818	163,818	1,087,253	3,291,485	3,545,103	3,814,105
Expenditure By Type																
Employee related costs		59,562	54,497	54,497	108,994	54,497	54,497	54,497	54,497	54,497	54,497	54,497	120,692	779,721	819,440	861,792
Remuneration of councillors		3,035	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	2,833	5,051	36,419	38,422	40,535
Debt impairment		6,875	11,001	12,376	13,751	15,126	6,875	11,001	13,751	13,751	19,251	6,875	6,875	137,510	130,634	124,103
Depreciation & asset impairment		11,111	17,777	19,999	22,221	24,443	11,111	17,777	22,221	22,221	31,110	11,111	11,111	222,212	256,533	282,183
Finance charges		3,230	5,168	5,814	6,460	7,106	3,230	5,168	6,460	6,460	9,044	3,230	3,230	64,600	59,255	54,480
Bulk purchases		74,695	119,511	134,450	149,389	164,328	74,695	119,511	149,389	149,389	209,145	74,695	74,695	1,493,890	1,650,634	1,770,060
Other materials		1,193	1,909	2,148	2,386	2,625	1,193	1,909	2,386	2,386	3,341	1,193	1,193	23,861	25,220	25,658
Contracted services		2,859	4,574	5,146	5,718	6,289	2,859	4,574	5,718	5,718	8,005	2,859	2,859	57,176	59,886	61,919
Transfers and grants		251	402	452	503	553	251	402	503	503	704	251	251	5,027	5,274	5,563
Other expenditure		20,224	32,359	36,403	40,448	44,493	20,224	32,359	40,448	40,448	56,628	20,224	20,224	404,483	435,248	537,811
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		183,035	250,031	274,119	352,703	322,294	177,768	250,031	298,206	298,206	394,557	177,768	246,181	3,224,899	3,480,545	3,764,103
Surplus/(Deficit)		146,114	110,368	(110,301)	(175,448)	(131,589)	(13,951)	(86,213)	(134,389)	(134,389)	(230,739)	(13,951)	841,072	66,585	64,557	50,001
Transfers recognised - capital		-	15,360	-	2,000	9,800	-	-	26,755	12,346	-	145,392	167,779	383,158	204,271	202,390
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		146,114	125,728	(110,301)	(173,448)	(121,789)	(10,225)	(86,213)	(107,634)	(122,043)	(230,739)	131,441	1,008,852	449,743	268,828	252,391
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	146,114	125,728	(110,301)	(173,448)	(121,789)	(10,225)	(86,213)	(107,634)	(122,043)	(230,739)	131,441	1,008,852	449,743	268,828	252,391

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)																
Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year+1 2014/15	Budget Year +2 2015/16
R thousand																
Revenue by Vote																
Vote 1 - Corporate Services		2,411	2,170	2,652	2,893	3,617	2,411	2,411	723	1,447	1,929	93	1,354	24,112	24,459	23,050
Vote 2 - Financial Management Area		110,217	99,195	121,238	132,260	165,325	110,217	110,217	33,065	66,130	88,173	20,395	45,735	948,138	934,650	1,032,209
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		248,983	224,085	273,881	298,780	373,475	248,983	248,983	74,695	149,390	199,186	77,204	72,186	2,260,701	2,526,618	2,702,891
Vote 4 - Sustainable Community Service Delivery Provision Management		5,853	5,268	6,439	7,024	8,780	5,853	5,853	1,756	3,512	4,683	1,534	1,978	58,533	59,375	55,955
Vote 5 - (NAME OF VOTE 5)													-	-	-	-
Vote 6 - (NAME OF VOTE 6)													-	-	-	-
Vote 7 - (NAME OF VOTE 7)													-	-	-	-
Vote 8 - (NAME OF VOTE 8)													-	-	-	-
Vote 9 - (NAME OF VOTE 9)													-	-	-	-
Vote 10 - (NAME OF VOTE 10)													-	-	-	-
Vote 11 - (NAME OF VOTE 11)													-	-	-	-
Vote 12 - (NAME OF VOTE 12)													-	-	-	-
Vote 13 - (NAME OF VOTE 13)													-	-	-	-
Vote 14 - (NAME OF VOTE 14)													-	-	-	-
Vote 15 - (NAME OF VOTE 15)													-	-	-	-
Total Revenue by Vote		367,464	330,718	404,211	440,957	551,196	367,464	367,464	110,239	220,479	293,971	99,224	121,255	3,291,485	3,545,102	3,814,105
Expenditure by Vote to be appropriated																
Vote 1 - Corporate Services		28,554	25,699	31,410	34,265	42,832	28,554	28,554	8,566	17,133	22,844	7,387	9,746	285,544	312,317	340,422
Vote 2 - Financial Management Area		25,001	22,501	27,501	30,001	37,501	25,001	25,001	7,500	15,001	20,001	6,610	8,391	244,421	120,177	271,645
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management		227,340	204,606	250,074	272,808	341,010	227,340	227,340	68,202	136,404	181,872	70,309	66,095	2,284,628	2,598,914	2,541,700
Vote 4 - Sustainable Community Service Delivery Provision Management		41,595	37,435	45,754	49,914	62,392	41,595	41,595	12,478	24,957	33,276	13,391	11,566	410,306	449,137	610,337
Vote 5 - (NAME OF VOTE 5)													-	-	-	-
Vote 6 - (NAME OF VOTE 6)													-	-	-	-
Vote 7 - (NAME OF VOTE 7)													-	-	-	-
Vote 8 - (NAME OF VOTE 8)													-	-	-	-
Vote 9 - (NAME OF VOTE 9)													-	-	-	-
Vote 10 - (NAME OF VOTE 10)													-	-	-	-
Vote 11 - (NAME OF VOTE 11)													-	-	-	-
Vote 12 - (NAME OF VOTE 12)													-	-	-	-
Vote 13 - (NAME OF VOTE 13)													-	-	-	-
Vote 14 - (NAME OF VOTE 14)													-	-	-	-
Vote 15 - (NAME OF VOTE 15)													-	-	-	-
Total Expenditure by Vote		322,490	290,241	354,739	386,988	483,735	322,490	322,490	96,747	193,494	257,992	97,696	95,798	3,224,899	3,480,545	3,764,103
Surplus/(Deficit) before assoc. Taxation		44,974	40,477	49,472	53,969	67,462	44,974	44,974	13,492	26,985	35,979	1,529	25,456	66,586	64,557	50,001
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	44,974	40,477	49,472	53,969	67,462	44,974	44,974	13,492	26,985	35,979	1,529	25,456	66,586	64,557	50,001

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MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (standard classification)																
Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Electricity		118,837	106,954	130,721	142,605	178,256	118,837	118,837	35,651	71,302	95,070	44,056	27,247	1,482,680	1,587,127	1,784,637
Water		57,349	51,614	63,084	68,819	86,023	57,349	57,349	17,205	34,409	45,879	12,730	21,680	573,488	525,292	456,072
Waste water management		3,468	3,121	3,815	4,162	5,202	3,468	3,468	1,040	2,081	2,775	3,048	(967)	23,555	127,056	268,617
Waste management		10,102	9,092	11,113	12,123	15,154	10,102	10,102	3,031	6,061	8,082	2,239	3,823	101,024	104,635	110,728
Other		7,384	6,646	8,122	8,861	11,076	7,384	7,384	2,215	4,430	5,907	1,337	3,093	73,840	32,531	103,178
Total Expenditure - Standard		322,490	290,241	354,739	386,988	483,735	322,490	322,490	96,747	193,494	257,992	97,701	95,793	3,224,899	3,480,545	3,764,103
Surplus/(Deficit) before assoc.		44,974	40,477	49,472	53,969	67,462	44,974	44,974	13,492	26,985	35,979	1,489	25,496	66,586	64,557	50,001
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)	1	44,974	40,477	49,472	53,969	67,462	44,974	44,974	13,492	26,985	35,979	1,489	25,496	66,586	64,557	50,001

References

1. Surplus (Deficit) must reconcile with Audited Financial Performance

2013/14 to 2015/16



KZN225 Msunduzi – Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)																	
Description		Ref	Budget Year 2013/14											Medium Term Revenue and Expenditure Framework			
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																	
Multi-year expenditure to be appropriated		1	100	125	225	275	325	250	125	225	325	275	175	75	2,500	5,000	2,800
Vote 1 - Corporate Services			–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Financial Management Area			20,123	25,154	45,278	55,340	25,401	10,309	25,154	45,278	65,401	25,340	35,216	1,552	379,546	201,532	137,067
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management																	
Vote 4 - Sustainable Community Service Delivery Provision Management																	
Vote 5 - (NAME OF VOTE 5)																	
Vote 6 - (NAME OF VOTE 6)																	
Vote 7 - (NAME OF VOTE 7)																	
Vote 8 - (NAME OF VOTE 8)																	
Vote 9 - (NAME OF VOTE 9)																	
Vote 10 - (NAME OF VOTE 10)																	
Vote 11 - (NAME OF VOTE 11)																	
Vote 12 - (NAME OF VOTE 12)																	
Vote 13 - (NAME OF VOTE 13)																	
Vote 14 - (NAME OF VOTE 14)																	
Vote 15 - (NAME OF VOTE 15)																	
Capital multi-year expenditure sub-total		2	20,223	25,279	45,503	55,615	25,762	10,559	25,279	45,503	65,726	25,615	35,391	1,627	382,046	206,532	139,867
Single-year expenditure to be appropriated																	
Vote 1 - Corporate Services			124	155	279	341	403	310	155	279	403	341	217	93	3,100	–	–
Vote 2 - Financial Management Area			100	350	630	770	910	700	350	630	910	770	490	390	7,000	12,000	13,000
Vote 3 - Infrastructure Development, Service Delivery and Maintenance Management			100	2,135	3,843	4,697	5,551	4,270	2,135	3,843	5,551	4,697	2,989	2,889	42,702	42,939	98,323
Vote 4 - Sustainable Community Service Delivery Provision Management			100	416	748	914	1,080	831	416	748	1,080	914	582	482	8,310	2,800	1,200
Vote 5 - (NAME OF VOTE 5)																	
Vote 6 - (NAME OF VOTE 6)																	
Vote 7 - (NAME OF VOTE 7)																	
Vote 8 - (NAME OF VOTE 8)																	
Vote 9 - (NAME OF VOTE 9)																	
Vote 10 - (NAME OF VOTE 10)																	
Vote 11 - (NAME OF VOTE 11)																	
Vote 12 - (NAME OF VOTE 12)																	
Vote 13 - (NAME OF VOTE 13)																	
Vote 14 - (NAME OF VOTE 14)																	
Vote 15 - (NAME OF VOTE 15)																	
Capital single-year expenditure sub-total		2	424	3,056	5,500	6,722	7,945	6,111	3,056	5,500	7,945	6,722	4,278	3,854	61,112	57,739	112,523
Total Capital Expenditure		2	20,647	28,335	51,003	62,337	33,671	16,670	28,335	51,003	73,671	32,337	39,669	5,480	443,158	264,271	252,390

References
 1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
 2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure



References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA30 Consolidated budgeted monthly cash flow															
MONTHLY CASH FLOWS		Budget Year 2013/14											Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand															
Cash Receipts By Source															
Property rates	25,811	56,783	56,783	56,783	51,621	25,811	51,621	49,040	46,459	36,135	35,755	23,610	516,212	597,704	666,370
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	171,471	170,971	161,971	77,941	77,941	77,941	77,941	77,941	77,941	86,275	120,275	146,394	1,325,003	1,543,238	1,791,871
Service charges - water revenue	41,085	40,585	38,085	18,675	18,675	18,675	18,675	18,675	18,675	22,517	56,025	11,331	321,678	359,012	399,431
Service charges - sanitation revenue	5,616	12,356	12,356	12,356	11,233	5,616	11,233	10,671	10,110	7,863	7,014	5,904	112,330	125,353	139,455
Service charges - refuse revenue	3,298	7,255	7,255	7,255	6,595	3,298	6,595	6,266	5,936	4,617	4,827	2,758	65,953	73,657	81,995
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1,013	2,228	2,228	2,228	2,026	1,013	2,026	1,924	1,823	1,418	1,258	1,071	20,255	22,889	25,787
Interest earned - external investments	1,351	2,973	2,973	2,973	2,703	1,351	2,703	2,568	2,433	1,892	-	3,108	27,029	27,454	28,519
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	182	400	400	400	363	182	363	345	327	254	213	205	3,634	3,830	4,037
Licences and permits	2	5	5	5	5	2	5	5	4	3	5	1	48	50	53
Agency services	29	64	64	64	59	29	59	56	53	41	23	44	586	592	603
Transfer receipts - operational	19,192	42,223	42,223	42,223	38,385	19,192	38,385	36,466	34,546	26,869	23,789	20,354	383,848	402,016	424,724
Other revenue	5,025	11,056	11,056	11,056	10,051	5,025	10,051	9,548	9,045	7,035	3,015	8,544	100,505	49,222	48,825
Cash Receipts by Source	274,076	346,900	335,400	231,960	219,656	158,136	219,656	213,504	207,352	194,920	252,197	223,323	2,877,081	3,205,017	3,611,671
Other Cash Flows by Source															
Transfer receipts - capital		19,158	30,653	38,316	42,147	15,326	22,989	45,979	45,979	30,653	25,846	66,112	383,158	205,660	192,390
Contributions recognised - capital & Contributed assets															
Proceeds on disposal of PPE															
Short term loans															
Borrowing long term/refinancing															
Increase (decrease) in consumer deposits															
Decrease (increase) in non-current debtors															
Decrease (increase) other non-current receivables															
Decrease (increase) in non-current investments															
Total Cash Receipts by Source	274,076	366,058	366,053	270,276	261,803	173,462	242,646	259,483	253,331	225,573	278,043	289,436	3,260,239	3,410,677	3,804,061
Cash Payments by Type															
Employee related costs	64,977	64,977	64,977	64,977	64,977	64,977	64,977	64,977	64,977	64,977	64,977	64,977	779,721	791,478	861,847
Remuneration of councillors	3,035	3,035	3,035	3,035	3,035	3,035	3,035	3,035	3,035	3,035	3,035	3,035	36,419	38,422	40,535
Finance charges	-	-	5,399	-	-	26,900	-	-	5,399	-	-	26,901	64,600	59,255	54,480
Bulk purchases - Electricity	160,561	80,281	80,281	72,100	72,100	72,100	72,100	72,100	72,100	72,100	162,245	135,862	1,123,929	1,262,429	1,350,799
Bulk purchases - Water & Sewer	52,852	26,426	26,426	15,024	15,024	15,024	15,024	15,024	15,024	15,024	75,789	83,299	369,961	388,205	419,261
Other materials	1,193	2,625	2,625	2,625	2,386	1,193	2,386	2,267	2,147	1,670	918	1,827	23,861	25,220	25,658
Contracted services	2,859	6,289	6,289	6,289	5,718	2,859	5,718	5,432	5,146	4,002	3,427	3,148	57,176	59,886	61,919
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	20,311	44,683	44,683	44,683	40,621	20,311	40,621	38,590	36,559	28,435	24,766	21,948	406,213	420,706	489,830
Cash Payments by Type	305,787	228,316	233,715	208,733	203,861	206,399	203,861	201,425	204,388	189,243	335,156	340,997	2,861,880	3,045,601	3,304,329



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA30 Consolidated budgeted monthly cash flow													
MONTHLY CASH FLOWS												Medium Term Revenue and Expenditure Framework	
R thousand	Budget Year 2013/14											Budget Year 2013/14	Budget Year +1 2014/15
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year +2 2015/16
Other Cash Flows/Payments by Type													
Capital assets		14,270	22,832	28,539	31,393	11,416	17,124	34,247	34,247	22,832	25,846	42,649	250,723
Repayment of borrowing		3,765	3,765	3,765	3,765	3,765	3,765	3,765	3,765	3,765	3,765	3,765	42,101
Other Cash Flows/Payments													
Total Cash Payments by Type	305,787	246,350	260,311	241,037	239,019	221,579	224,749	239,437	242,400	215,840	364,766	387,410	3,597,153
NET INCREASE/(DECREASE) IN CASH HELD	(31,711)	119,708	105,742	29,238	22,785	(48,117)	17,896	20,046	10,931	9,734	(86,724)	(97,974)	206,908
Cash/cash equivalents at the month/year begin:		(31,711)	87,997	193,739	222,977	245,762	197,645	215,541	235,588	246,519	256,253	169,529	139,344
Cash/cash equivalents at the month/year end:	(31,711)	87,997	193,739	222,977	245,762	197,645	215,541	235,588	246,519	256,253	169,529	71,554	256,069

References

i. Note that this section of Table SA 30 is deliberately not linked to Table A4 because timing differences between the invoicing of clients and receiving the cash means that the cashflow will differ from budgeted revenue, and similarly for budgeted expenditure.

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA31 Aggregated entity budget										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R million										
Financial Performance										
Property rates										
Service charges		2,643	3,777	3,989	4,086	3,947	3,947	4,164	4,394	4,635
Investment revenue		63	43	44	45	45	40	46	48	51
Transfers recognised - operational										
Other own revenue										
Contributions recognised - capital & contributed assets			65,393							
Total Revenue (excluding capital transfers and contributions)		2,706	3,886	4,033	4,131	3,992	3,987	4,210	4,442	4,686
Employee costs		2,224	2,327	2,285	2,900	3,050	3,271	3,218	3,395	3,581
Remuneration of Board Members										
Depreciation & asset impairment		29	58	49	41	31	80	33	35	36
Finance charges		5	7	8	12	8	9	8	9	9
Materials and bulk purchases		596	854	666	507	298	254	315	332	350
Transfers and grants										
Other expenditure		98	675	551	624	616	730	649	685	723
Total Expenditure		2,951	3,921	3,559	4,085	4,002	4,344	4,223	4,455	4,700
Surplus/(Deficit)		(245)	(35)	474	46	(10)	(357)	(12)	(13)	(14)
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - operational										
Public contributions & donations										
Borrowing										
Internally generated funds										
Total sources		-	-	-	-	-	-	-	-	-
Financial position										
Total current assets		827	1,074							
Total non current assets		51	72							
Total current liabilities		9	327							
Total non current liabilities										
Equity		878	1,146							



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA31 Aggregated entity budget										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R million										
Cash flows										
Net cash from (used) operating			230	237						
Net cash from (used) investing		(245)	(12)	(62)						
Net cash from (used) financing		(7)								
Cash/cash equivalents at the year end		799	1,004	1,177						

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand

References

1. Total agreement period from commencement until end
2. Annual value



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA33 Contracts having future budgetary implications														
Description	Ref	Preceding Years	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework			Forecast 2016/17 Estimate	Forecast 2017/18 Estimate	Forecast 2018/19 Estimate	Forecast 2019/20 Estimate	Forecast 2020/21 Estimate	Forecast 2021/22 Estimate	Forecast 2022/23 Estimate	Total Contract Value
				Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16								
R thousand	1,3	Total												
Parent Municipality:	2													
Revenue Obligation By Contract														
Contract 1														
Contract 2														
Contract 3 etc														
Total Operating Revenue Implication	2	-												
Expenditure Obligation By Contract														
Contract 1														
Contract 2														
Contract 3 etc														
Total Operating Expenditure Implication	2	-												
Capital Expenditure Obligation By Contract	2													
Contract 1														
Contract 2														
Contract 3 etc														
Total Capital Expenditure Implication	2	-												
Total Parent Expenditure Implication		-												
Entities:		-												
Revenue Obligation By Contract	2													
Contract 1														
Contract 2														
Contract 3 etc														
Total Operating Revenue Implication	2	-												
Expenditure Obligation By Contract	2													
Contract 1														
Contract 2														
Contract 3 etc														
Total Operating Expenditure Implication	2	-												
Capital Expenditure Obligation By Contract	2													
Contract 1														
Contract 2														
Contract 3 etc														
Total Capital Expenditure Implication	2	-												
Total Entity Expenditure Implication		-												

References

1. Total Implication for all preceding years to be summed and total stated in 'Preceding Years' column
2. List all contracts with future financial obligations beyond the three years covered by the MTRF (MFMA s33)
3. For municipalities with approved total revenue not exceeding R250 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R250 m - all contracts with an annual cost greater than R5 million

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		126,494	18,176	-	89,502	95,515	95,515	144,030	53,642	38,200
Infrastructure - Road transport		32,581	10,753	-	45,000	-	-	4,780	3,250	1,200
Roads, Pavements & Bridges		32,581	10,753	-	45,000	-	-	4,780	3,250	1,200
Storm water										
Infrastructure - Electricity		21,459	5,482	-	4,083	53,096	53,096	131,000	38,392	21,000
Generation					-	49,013	49,013	131,000	38,392	21,000
Transmission & Reticulation		15,057	4,255	-	-	-	-			
Street Lighting		6,402	1,227		4,083	4,083	4,083			
Infrastructure - Water		16,850	886	-	25,419	27,419	27,419	6,250	10,000	10,000
Dams & Reservoirs			886							
Water purification										
Reticulation		16,850			25,419	27,419	27,419	6,250	10,000	10,000
Infrastructure - Sanitation		-	1,055	-	-	-	-	2,000	2,000	6,000
Reticulation			1,055					2,000	2,000	6,000
Sewerage purification		55,604	-	-	15,000	15,000	15,000	-	-	-
Infrastructure - Other		53,158			15,000	15,000	15,000			
Waste Management										
Transportation										
Gas										
Other		2,446								
Community		33,175	80	-	20,600	36,069	36,069	-	-	-
Parks & gardens		943								
Sportsfields & stadia										
Swimming pools		4,395			2,950	2,950	2,950			
Community halls		975			-	220	220			
Libraries					-	2,000	2,000			
Recreational facilities					-	1,212	1,212			
Fire, safety & emergency		17,892								



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Security and policing	7	211								
		794								
		596	80							
		2,520			13,500	13,570	13,570			
		4,849			4,150	16,117	16,117			
Social rental housing	8									
Other		5,711								
Heritage assets										
Buildings	9	5,711								
Other										
Investment properties										
Housing development										
Other										
Other assets		10,654	4,070			4,069	4,069	30,270	22,700	23,790
General vehicles	10									
Specialised vehicles										
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets		1,008								
Civic Land and Buildings		2,418	3,825					2,000		
Other Buildings								200		
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		239						2,810		



Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Capital Expenditure on new assets	1	176,033	22,327	-	110,102	135,653	135,653	174,300	76,342	61,990

Specialised vehicles										
Refuse		-	-	-	-	-	-	-	-	-
Fire										
Conservancy										
Ambulances										

References

1. Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) must reconcile to total capital expenditure in Budgeted Capital Expenditure
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Buses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		95,810	73,619	-	84,751	142,902	142,902	249,808	175,829	186,400
Infrastructure - Road transport		25,990	35,629	-	33,748	57,315	57,315	138,495	60,870	27,200
Roads, Pavements & Bridges		22,300	35,629	-	33,748	57,315	57,315	138,495	60,870	27,200
Storm water		3,690								
Infrastructure - Electricity		4,900	11,109	-	5,000	39,584	39,584	30,500	16,380	21,210
Generation					5,000	39,584	39,584	30,500	16,380	21,210
Transmission & Reticulation		4,900	11,109							
Street Lighting		-								
Infrastructure - Water		27,507	11,974	-	17,750	17,750	17,750	27,925	48,879	73,490
Dams & Reservoirs								10,500	15,300	9,000
Water purification										
Reticulation		27,507	11,974		17,750	17,750	17,750	17,425	33,579	64,490
Infrastructure - Sanitation		37,413	14,436	-	26,200	26,200	26,200	44,797	42,200	57,000
Reticulation		37,413	14,436		26,200	26,200	26,200	44,797	42,200	57,000
Sewerage purification										
Infrastructure - Other		-	471	-	2,053	2,053	2,053	8,091	7,500	7,500
Waste Management		-	471		2,053	2,053	2,053	8,091	7,500	7,500
Transportation										
Gas										
Other										
Community		-	420	-	10,300	8,300	8,300	4,500	2,800	1,200
Parks & gardens					700	700	700			
Sportsfields & stadia			65		7,100	5,100	5,100	1,700		
Swimming pools										
Community halls			205		2,500	2,500	2,500			
Libraries										
Recreational facilities										
Fire, safety & emergency										

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class											
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Security and policing	Buses	7									
	Clinics										
	Museums & Art Galleries			150					2,800	2,800	1,200
	Cemeteries										
	Social rental housing	8									
Other											
Heritage assets											
Buildings		9									
Other											
Investment properties											
Housing development											
Other											
Other assets											
General vehicles				14,782	-	24,861	22,901	22,901	14,550	9,300	2,800
Specialised vehicles											
Plant & equipment											
Computers - hardware/equipment				317					2,500	5,000	2,800
Furniture and other office equipment											
Abattoirs											
Markets											
Civic Land and Buildings				3,282		1,046	1,046	1,046	8,050		
Other Buildings						19,315	17,355	17,355	4,000	4,300	
Other Land						4,500	4,500	4,500			
Surplus Assets - (Investment or Inventory)				11,184							
Other											



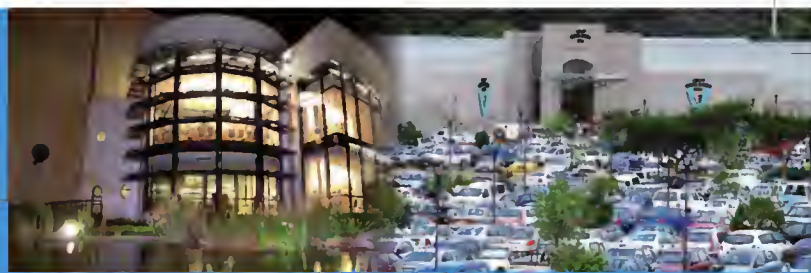
MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class												
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework				
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16		
R thousand	1											
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-	-	-
List sub-class												
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-	-	-
List sub-class												
<u>Intangibles</u>		-	-	-	-	-	-	-	-	-	-	-
Computers - software & programming												
Other (list sub-class)												
Total Capital Expenditure on renewal of existing assets	1	95,810	88,822	-	119,912	174,103	174,103	174,103	268,858	187,929	190,400	
<u>Specialised vehicles</u>		-	-	-	-	-	-	-	-	-	-	-
Refuse												
Fire												
Conservancy												
Ambulances												
Renewal of Existing Assets as % of total capex		35.2%	79.9%	0.0%	52.1%	56.2%	56.2%	56.2%	60.7%	71.1%	75.4%	
Renewal of Existing Assets as % of deprecn"		77.2%	35.0%	0.0%	75.9%	110.2%	110.2%	110.2%	121.0%	73.3%	67.5%	

References

1. Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on new assets (SA34a) must reconcile to total capital expenditure in Budgeted Capital Expenditure
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Busses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

2013/14 to 2015/16

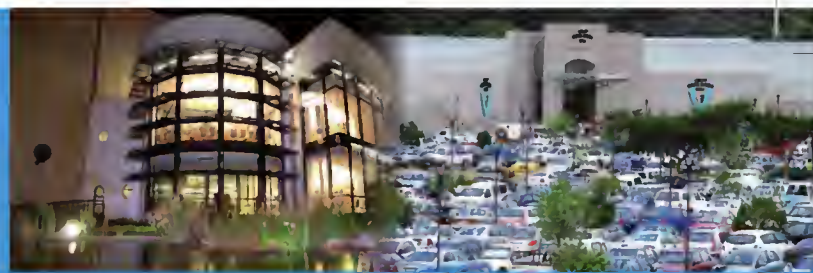


KZN225 Msunduzi - Supporting Table SA34c Consolidated repairs and maintenance by asset class											
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Repairs and maintenance expenditure by Asset Class/ Sub-class			75,807	42,549	25,196	31,185	32,719	32,719	57,165	61,144	64,090
			32,919	1,596	3,392	5,361	5,361	5,361	7,094	7,548	7,729
Infrastructure			23,230	1,596	3,392	5,361	5,361	5,361	7,094	7,548	7,729
Infrastructure - Road transport			9,689								
Roads, Pavements & Bridges			23,195	31,949	13,726	24,992	26,526	26,526	48,014	51,432	54,071
Storm water											
Infrastructure - Electricity											
Generation											
Transmission & Reticulation			22,629	28,794	13,726	24,927	26,446	26,446	47,899	51,295	53,908
Street Lighting			566	3,156		66	80	80	115	137	163
Infrastructure - Water			19,258	345	1,216	746	746	746	1,554	1,632	1,728
Dams & Reservoirs											
Water purification											
Reticulation			19,258	345	1,216	746	746	746	1,554	1,632	1,728
Infrastructure - Sanitation			-	8,254	-	-	-	-	502	531	561
Reticulation				8,254					502	531	561
Sewerage purification					-						
Infrastructure - Other			435	405	6,862	86	86	86	-	-	-
Waste Management			53	377	3,627	86	86	86			
Transportation					-						
Gas					-						
Other			382	28	3,235				-	-	-
Community			1,974	3,218	9,015	2,074	2,486	2,486	-	-	-
Parks & gardens			293				340	340	-	-	-
Sportsfields & stadia			193	1,313	2,661	616	681	681			
Swimming pools			21								
Community halls			197								
Libraries			485	693	713	532	604	604	-	-	-
Recreational facilities			-								
Fire, safety & emergency			349	509	907	397	395	395			



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA34c Consolidated repairs and maintenance by asset class										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Security and policing	7	2			37	37	37			
Buses		-								
Clinics		129	203	323	290	228	228	-	-	-
Museums & Art Galleries		4	6	150	1	1	1	-	-	-
Cemeteries		1	470	670	201	200	200	-	-	-
Social rental housing	8	300								
Other			24	3,592				-	-	-
Heritage assets										
Buildings	9									
Other										
Investment properties										
Housing development										
Other										
Other assets		40,413	19,881	5,298	55,926	54,083	54,083	37,792	38,123	66,317
General vehicles	10	8,786	9,512	320	13,842	15,296	15,296	11,618	11,689	19,817
Specialised vehicles		4,349	-	-	-	-	-	-	-	-
Plant & equipment		11,429		147	30,240	27,110	27,110	22,091	22,311	40,180
Computers - hardware/equipment						7,790	7,790			
Furniture and other office equipment			7,606							
Abattoirs										
Markets		602								
Civic Land and Buildings		3,459			2,769	3,309	3,309	3,474	3,509	5,379
Other Buildings				168						
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		11,789	2,763	4,663	705	579	579	608	614	941



Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
R thousand											
Agricultural assets		-	-	-	-	-	-	-	-	-	
List sub-class											
Biological assets		-	-	-	-	-	-	-	-	-	
List sub-class											
Intangibles		-	-	-	-	-	-	-	-	-	
Computers - software & programming											
Other (list sub-class)											
Total Repairs and Maintenance Expenditure	1	118,194	65,648	39,510	89,185	89,288	89,288	94,956	99,267	130,406	

Specialised vehicles											
Refuse		4,349	-	-	-	-	-	-	-	-	
Fire		4,349									
Conservancy											
Ambulances											

R&M as a % of PPE		1.9%	1.0%	0.6%	1.3%	1.3%	1.3%	1.5%	1.5%	2.0%	
R&M as % Operating Expenditure		4.2%	2.3%	1.3%	3.0%	2.9%	2.9%	2.9%	2.9%	3.5%	

References

1. Total Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Busses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA34d Consolidated Depreciation by asset class											
Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Depreciation by Asset Class/Sub-class			90,353	21,798	105,653	23,027	40,653	40,653	96,064	117,770	129,535
Infrastructure			47,050	10,225	78,156	10,729	13,156	13,156	70,514	89,665	98,620
Infrastructure - Road transport			35,163	7,835	64,941	8,340	9,941	9,941	56,416	74,157	81,561
Roads, Pavements & Bridges			11,887	2,390	13,215	2,390	3,215	3,215	14,098	15,508	17,059
Storm water			26,833	1,197	3,551	1,359	3,551	3,551	3,821	4,203	4,624
Infrastructure - Electricity											
Generation											
Transmission & Reticulation			26,253	955	2,746	1,106	2,746	2,746	3,214	3,535	3,889
Street Lighting			580	242	804	252	804	804	607	668	735
Infrastructure - Water			8,600	3,704	8,309	3,759	8,309	8,309	8,120	8,932	9,825
Dams & Reservoirs			1,161	326	101	355	101	101	65	71	79
Water purification											
Reticulation			7,439	3,378	8,208	3,404	8,208	8,208	8,055	8,860	9,746
Infrastructure - Sanitation			5,006	2,941	11,765	3,435	11,765	11,765	10,780	11,858	13,043
Reticulation			5,006	2,941	11,765	3,435	11,765	11,765	10,780	11,858	13,043
Sewerage purification											
Infrastructure - Other			2,865	3,731	3,872	3,745	3,872	3,872	2,829	3,112	3,423
Waste Management		2	94	6	-	19	-	-	-	-	-
Transportation			1,424	1,457	1,280	1,457	1,280	1,280	1,290	1,419	1,561
Gas					-		-	-			
Other		3	1,347	2,268	2,592	2,268	2,592	2,592	1,540	1,693	1,863
Community			9,015	33,925	37,540	33,992	32,405	32,405	40,050	44,055	48,461
Parks & gardens			160	515	450	515	450	450	487	536	589
Sportsfields & stadia			2,183	5,421	4,134	5,423	4,134	4,134	4,470	4,917	5,409
Swimming pools			230	1,042	1,045	1,042	1,045	1,045	1,130	1,243	1,367
Community halls			2,688	13,131	13,201	13,142	13,201	13,201	14,090	15,499	17,048
Libraries			1,224	5,426	5,456	5,426	5,456	5,456	5,717	6,289	6,918
Recreational facilities			259	457	-	469	-	-	-	-	-
Fire, safety & emergency			348	1,218	1,308	1,218	1,308	1,308	1,414	1,555	1,711

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA34d Consolidated Depreciation by asset class										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Security and policing	7			-		-	-	-	-	-
				-		-	-	-	-	-
		401	1,854	1,862	1,860	1,862	1,862	2,013	2,214	2,436
		321	1,134	1,137	1,134	1,137	1,137	1,229	1,352	1,487
		6	36	112	69	112	112	121	133	147
Social rental housing	8			5,134				5,378	5,916	6,507
Other		1,196	3,691	3,700	3,694	3,700	3,700	4,001	4,401	4,841
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings	9									
Other				-	-	-	-	-	-	
Investment properties										
Housing development										
Other										
Other assets		22,066	193,426	126,799	96,617	81,283	81,283	85,452	93,998	103,406
General vehicles	10	2,127	10,737	20,419	10,880	15,303	15,303	23,975	26,373	29,038
Specialised vehicles		501	1,849	3,193	1,974	3,193	3,193	1,424	1,566	1,723
Plant & equipment		2,091	4,907	7,360	4,962	7,360	7,360	5,460	6,006	6,606
Computers - hardware/equipment		1,551	3,567	5,983	3,582	5,983	5,983	3,046	3,350	3,686
Furniture and other office equipment		1,127	5,075	8,517	5,075	8,517	8,517	6,984	7,682	8,450
Abattoirs				-		-	-	-	-	-
Markets		3,657	15,278	15,318	15,278	15,318	15,318	16,561	18,217	20,039
Civic Land and Buildings		4,254	18,575	18,692	18,575	18,692	18,692	20,208	22,229	24,452
Other Buildings		3,405	10,677	6,906	10,751	6,906	6,906	7,467	8,214	9,015
Other Land				-		-	-	-	-	-
Surplus Assets - (Investment or Inventory)				-		-	-	-	-	-
Other		3,354	122,761	40,409	25,539	9	9	328	361	397



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA34d Consolidated Depreciation by asset class										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-
List sub-class										
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-
List sub-class										
<u>Intangibles</u>		2,633	4,365	3,659	4,365	3,659	3,659	646	710	781
Computers - software & programming		2,633	4,365	3,659	4,365	3,659	3,659	646	710	781
Other (list sub-class)				-		-				
Total Depreciation	1	124,067	253,513	273,651	158,000	158,000	158,000	222,212	256,533	282,183
<u>Specialised vehicles</u>		501	1,849	3,193	1,974	3,193	3,193	1,424	1,566	1,723
Refuse		501	384	1,719	509	1,719	1,719			
Fire			1,464	1,475	1,464	1,475	1,475	1,424	1,566	1,723
Conservancy										
Ambulances										

References

1. Depreciation based on write down values. Not including Depreciation resulting from revaluation.
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Busses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA35 Consolidated future financial implications of the capital budget								
Vote Description	Ref	2013/14 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Corporote Services		5,600	5,000	2,800				
Vote 2 - Finoncial Monogement Areo		7,000	12,000	13,000				
Vote 3 - Infostructure Development, Service Deliv- ery ond Maintenonce Monogement		422,248	244,471	235,390				
Vote 4 - Sustoinoble Community Service Delivery Provision Monogement		8,310	2,800	1,200				
Vote 5 - (NAME OF VOTE 5)		-	-	-				
Vote 6 - (NAME OF VOTE 6)		-	-	-				
Vote 7 - (NAME OF VOTE 7)		-	-	-				
Vote 8 - (NAME OF VOTE 8)		-	-	-				
Vote 9 - (NAME OF VOTE 9)		-	-	-				
Vote 10 - (NAME OF VOTE 10)		-	-	-				
Vote 11 - (NAME OF VOTE 11)		-	-	-				
Vote 12 - (NAME OF VOTE 12)		-	-	-				
Vote 13 - (NAME OF VOTE 13)		-	-	-				
Vote 14 - (NAME OF VOTE 14)		-	-	-				
Vote 15 - (NAME OF VOTE 15)		-	-	-				
List entity summory if opplicable								
Total Capital Expenditure		443,158	264,271	252,390	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Corporate Services								
Vote 2 - Finoncial Monogement Areo								
Vote 3 - Infrastructure Development, Service Deliv- ery and Maintenance Management								
Vote 4 - Sustoinoble Community Service Delivery Provision Monogement								
Vote 5 - (NAME OF VOTE 5)								
Vote 6 - (NAME OF VOTE 6)								
Vote 7 - (NAME OF VOTE 7)								
Vote 8 - (NAME OF VOTE 8)								
Vote 9 - (NAME OF VOTE 9)								
Vote 10 - (NAME OF VOTE 10)								
Vote 11 - (NAME OF VOTE 11)								
Vote 12 - (NAME OF VOTE 12)								
Vote 13 - (NAME OF VOTE 13)								
Vote 14 - (NAME OF VOTE 14)								
Vote 15 - (NAME OF VOTE 15)								
List entity summory if opplicable								
Total future operational costs		-	-	-	-	-	-	-



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA35 Consolidated future financial implications of the capital budget								
Vote Description	Ref	2013/14 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Present value
R thousand								
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		443,158	264,271	252,390	-	-	-	-

References

1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))
2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))
3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)

2013/14 to 2015/16



KZN225 Msunduzi - Supporting Table SA36 Consolidated detailed capital budget																
Municipal Vote/Capital project	Ref	Program/Project description	Project number	"IDP Goal code 2"	"Individually Approved (Yes/No)"	"Asset Class"	"Asset Sub-Class"	"GPS co-ordinates"	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project Information	
					6	3	3	5		Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Ward location	New or renewal
Parent municipality: List all capital projects grouped by Municipal Vote																
	Infrastructure		FIRE ALARM SYSTEM PROFESSOR NYEMBEZI BUILDING									650	-	-		RENEWAL
	Infrastructure		DEBRIS NET PROFESSOR NYEMBEZI BUILDING									500	-	-		NEW
	Infrastructure		REPLACEMENT OF LIFTS PROFESSOR NYEMBEZI BUILDING									2,500	-	-		RENEWAL
	Infrastructure		REPLACEMENT OF LIFTS PROFESSOR A S CHETTY BUILDING									2,500	-	-		RENEWAL
	Good Governance		REPLACEMENT OF LIFT CITY HALL									1,000	-	-		RENEWAL
	Good Governance		AIRCONDITIONING INSTALLATION CITY HALL LOUNGE & MEETING ROOM									750	-	-		NEW
	Good Governance		UPGRADE OF FIRE DETECTION SYSTEM CITY HALL									400	-	-		RENEWAL
	Good Governance		VISUAL CONFERENCE SYSTEM COMPLETION CITY HALL									350	-	-		NEW
	Good Governance		CCTV INSTALLATION CITY HALL									400	-	-		NEW
	Infrastructure		TELEMETRY / INSTRUMENTATION EQUIPMENT									300	400	400		NEW
	Infrastructure		LEAK DETECTION EQUIPMENT									250	300	350		NEW
	Infrastructure		ENDDALE PROPER NEW MAINS & RETICULATION		WS191							1,000	-	-		RENEWAL
	Infrastructure		ROAD REHABILITATION - PMS									17,710	10,570	7,000		RENEWAL
	Infrastructure		CONNOR - OTTO'S BLUFF ROADS - LINK									300	4,000	3,000		RENEWAL
	Infrastructure		GRIMTHORPE ROAD BRIDGE (Design and EIA)									400	-	-		RENEWAL
	Infrastructure		INSTALLATION OF TRAFFIC SIGNALS									1,000	150	600		NEW
	Infrastructure		TRAFFIC CALMING MEASURES									1,000	1,500	500		NEW
	Infrastructure		NEW TRAFFIC SIGNALS CONTROLLER									780	100	100		NEW
	Infrastructure		TRAFFIC LIGHT SPARES, EQUIPMENT & TOOLS									15,000	10,000	10,040		NEW
	Infrastructure		REPLACEMENT OF VEHICLES, PLANT & EQUIPMENT									2,810	15,980	11,210		RENEWAL
	Infrastructure		NETWORK REFURBISHMENT									7,000	-	-		NEW
	Community		AIRPORT PROJECTS									12,000	13,000			RENEWAL
	Financial Management Services		FINANCIAL SYSTEM									200				NEW
	Financial Management Services		PLANT AND EQUIPMENT									200				RENEWAL
	Good Governance		BUILDINGS (HEROES ACRE DEVELOPMENT)									2,500	5,000	2,800		RENEWAL
	Good Governance		Recabling of LAN Infrastructure - ISO sids									-	-	-		RENEWAL
Infrastructure		CORRIDOR DEVELOPMENT									8,000	5,000	10,000		RENEWAL	
Infrastructure		ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT									100,846				RENEWAL	
Infrastructure		PUBLIC TRANSPORT INFRASTRUCTURE									123,000	30,000	12,000		NEW	
Infrastructure		ELECTRIFICATION									4,000	4,000	-		RENEWAL	
Infrastructure		LESTER BROWN LINK ROAD									9,000	10,000	-		RENEWAL	
Infrastructure		BURGER ST EXTENSION (PH 1 - Services, fill earthworks, SW structure etc and Ph 2 - Road layer works, surfacing, Ki & kerbs, Sign & markings etc)									1,500	1,500	1,500		RENEWAL	
Infrastructure		REHABILITATION OF PUBLIC ABLOUTONS									1,000	-	-		RENEWAL	
Infrastructure		UNIT 18 COMMUNITY HALL									1,500	-	-		RENEWAL	
Community		CALUZA SPORTS HALL									1,500	-	-		RENEWAL	
Community		MOUNTAIN RISE CREMATORIALS									2,800	2,800	1,200		RENEWAL	
Infrastructure		SANITATION INFRASTRUCTURE FEASIBILITY STUDY		WS 197							2,000	2,000	6,000		NEW	
Infrastructure		SHENSTONE AMBLETON SANITATION SYSTEM		WS 202							9,875	5,000	10,000		RENEWAL	
Infrastructure		REHABILITATION OF SANITATION INFRASTRUCTURE		WS 196							10,000	12,000	15,000		RENEWAL	
Infrastructure		SEWER PIPES UNIT H		WS 201							8,000	12,000	5,000		RENEWAL	
Infrastructure		SEWER PIPES AZALEA - PHASE 2		WS 200							8,000	12,000	5,000		RENEWAL	
Infrastructure		ELIMINATION OF CONSERVANCY TANKS - (SEWER)		WS 199							3,050	600	12,000		RENEWAL	
Infrastructure		SERVICE MIDBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALI (SEWER)		WS 198							5,872	600	10,000		RENEWAL	
Infrastructure		REDUCTION OF NON REVENUE WATER		WS 186							15,000	29,279	58,690		RENEWAL	
Infrastructure		ELIMINATION OF CONSERVANCY TANKS - (WATER)		WS 199							125	-	300		RENEWAL	
Infrastructure		SERVICE MIDBLOCK ERADICATION IN SOBANTU, ASHDOWN & IMBALI (WATER)		WS 189							300	-	500		RENEWAL	
Infrastructure		BASIC WATER SUPPLY		WS 193							1,000	4,000	5,000		RENEWAL	



MSUNDUZI ANNUAL BUDGET

KZN225 Msunduzi - Supporting Table SA36 Consolidated detailed capital budget																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
Municipal Vote/Capitol project	Ref	Program/Project description	Project number	"IDP Goal code 2"	"Individually Approved (Yes/No)" 6	"Asset Class" 3	"Asset Sub-Class" 3	"GPS co-ordinates" 5	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project information																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
										Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Ward loca- tion	New or renewal																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
R R thousand		MASONS RESERVOIR & PIPELINE COPEVILLE RESERVOIR LANDFILL UPGRADE UPGRADE DESIGN OF GRAVEL ROADS - VULINDLELA - D 1128 (Phase 1, 2 and 3) UPGRADE OF GRAVEL ROADS - WILLOWFOUNTAIN ROAD - Main Road, Phipha Road, Premier's Raad UPGRADING OF GRAVEL ROADS - EDENDALE - M8ANUWA RD - 2.0 km UPGRADING OF GRAVEL/GRAVSEAL ROADS - EDEN- DALE - TAFULENI ROAD - 1.2 km HORSE SHOE ACCESS RD AND PASSAGES IN IM8ALI STAGE 1 & 2 UPGRADING OF GRAVEL ROADS - EDENDALE - WARD 22 - 8.4km Ntshili Rd, Hadebe Rd, Dipini Rd, Thula Rd, Hlangwa Rd, 8hula Rd, Mithelamusha Rd, Mavimbela Rd, Thusi Rd, 8udi Rd and Geris Raad UPGRADING OF GRAVEL RDS - EDN - WARD 12 - MOSCOW - 4.0 km - Zabazamuzi Rd, Mngama Rd, Zwane Rd - MOSCOW AREA RDS UPGRADING OF ROADS IN EDENDALE - KWANYAMA- ZANE ROADS UPGRADING OF GRAVEL ROADS - EDENDALE - WARD 16 - 8.0km - Senti Rd, Shamarara Rd, Khawula Rd - Dambuzi Area - Thulani Rd - Unit J 8ACKLOG TO NEW RDS & S/W & UPGRADE OF EXIST- ING SUBSTANDARD LOW-COST HOUSING - HANIVILLE UPGRADE GRAVEL ROADS IN EDENDALE: Hubi Rd, Nkosi Rd, Ntambela Rd, D. Shezi Rd, Ntshingila Rd and Mpungase Rd in Esigadini UPGRADING OF GRAVEL ROADS - EDENDALE - STA- TION RD (next to Geatgelawn High School) (Raise & Widen the bridge with associated roadworks) REHABILITATION OF ROADS IN ASHDOWN UPGRADING OF GRAVEL ROADS - EDENDALE - MACHIBISA / DAM8USA RDS - Phase 2 UPGRADING OF GRAVEL ROADS - GREATER EDEN- DALE - IMBALI 88 - PHASE 2: New raad next to Zandi store, Kancane Rd, Sibukasizwe Rd UPGRADING OF GRAVEL ROADS - GREATER EDEN- DALE - Shembe Rd and Jae Ngidi rd UPGRADING OF GRAVEL ROADS - VULINDLELA - D2069 (Mhlatane Rd) UPGRADING OF GRAVEL ROADS - GREATER EDEN- DALE - Caluza Raads UPGRADING OF GRAVEL ROADS - GREATER EDEN- DALE - Smerae raads & SW UPGRADING OF GRAVEL ROADS - GREATER EDEN- DALE - Shathing Rds - 5.0km - (Mvubu Rd - 0.3km, Gudintaba Rd - 0.4km, Gudintaba 2 Rd - 0.4km, Mpampini Rd - 0.6km, Khaza Rd - 0.8km, Magaba Rd - 0.8km and Hlathini Ext Rd - 2.0km) UPGRADE SWD IN GREATER EDENDALE - Flooding Houses in Smerae HIGH MAST LIGHTS IN VULINDLELA & GREATER EDENDALE NDPG GRANT		WS 187 WS 188 WM 240 RNMP 253 RNMP 268 RNMP 276 RNMP 237 RNMP 262 RNMP 278 REMP 266 RNMP 284 RNMP 270 RNMP 280 RNMP 255 RNMP 264 RNMP 278 RNMP 271 RNMP 274																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			</

2013/14 to 2015/16

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References

1. Must reconcile with Budgeted Capital Expenditure
2. As per Table SA6
3. As per Table SA34
4. Projects that fall above the threshold values applicable
5. Correct to seconds. Provide a logical starting point
6. Distinguish projects approved in terms of MFMA section

1. List all projects with planned completion dates in current year that have been re-budgeted in the MITRE Reference Case.
2. Refer MFMA s30
3. As per Table SA34
4. Correct to seconds. Provide a logical starting point an networked infrastructure.



BUDGET POLICY

TABLE OF CONTENTS

1. INTRODUCTION
2. OBJECTIVE
3. LEGISLATIVE FRAMEWORK
4. BUDGETING PRINCIPLES
5. COMMENCEMENT

I. Introduction

In terms of the Municipal Finance Management Act, No.56 of 2003, Chapter 4 on Municipal Budgets, Subsection (16)(1), states that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. According to subsection (2) of the Act concerned, in order to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

This policy must be read, analysed, explained, interpreted, implemented and understood against this legislative background. The budget plays a critical role in attempt to realize diverse community needs. Central to this, the formulation of a municipality budget must take into account the government's macro-economic and fiscal policy fundamentals. In brief, the conceptualization and the operationalization of the budget must be located within the national government's policy framework.

2. Objective

The objective of the budget policy is to set out:

- 2.1 The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget,
- 2.2 The responsibilities of the mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget
- 2.3 To establish and maintain procedures to ensure adherence to Msunduzi Municipality's IDP review and budget processes.
- 2.4 To ensure effective budget monitoring.

To ensure compliance with the MFMA Budget and Reporting Regulations.

3. Legislative Framework

The policy should comply with budget guidelines, Municipal Finance Management Act, 2003 and other applicable legislation issued by National Treasury.

4. BUDGETING PRINCIPLES

- 4.1 The municipality shall not budget for a deficit and should also ensure that revenue projections in the budget are realistic taking into account actual collection levels.
- 4.2 Expenses may only be incurred in terms of the approved annual budget (or adjustment budget) and within the limits of the amounts appropriated for each vote in the approved budget.
- 4.3 Msunduzi Municipality shall prepare three-year budget (medium term revenue and expenditure framework (MTREF) and that be reviewed annually and approved by Council.



MSUNDUZI ANNUAL BUDGET

- 4.4 The MTREF budget must at all times be within the framework of the Municipal Integrated Development Plan.
- 4.5 Except in so far as capital projects represent a contractual commitment to the municipality extending over more than one financial year, the annual capital budget shall be prepared from a zero base.
- 4.6 The capital budget component of the annual or adjustments budget shall only be approved by the council if it has been properly balanced, that is, if the sources of finance which are realistically envisaged to fund the budget equal the proposed capital expenses.
- 4.7 Before approving the capital budget component of the annual or adjustments budget, the council shall consider the impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets, and any other ordinary operational expenses associated with any item on such capital budget. In addition, the council shall consider the likely impact of such operation expenses – net of any revenues expected to be generated by such item – on future property rates and service tariffs.
- 4.8 The council shall establish an Capital Replacement Reserve for the purpose of financing capital projects and the acquisition of capital assets and or the replacement of assets. Such reserve shall be established from the following sources of revenue:
 - 4.8.1 unappropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
 - 4.8.2 further amounts appropriated as contributions in each annual or adjustments budget.
- 4.9 Each annual and adjustments budget shall reflect a realistic excess, of current revenues over expenses.
- 4.10 Any un-appropriated surplus from previous financial years, even if fully cash-backed, shall not be used to balance any annual or adjustments budget, but shall be appropriated, as far as it is not required to finance the payment of operating creditors or for other operational purposes, to the municipality'4.11 An impending operating deficit shall be made good in an adjustments budget, but if an operating deficit arises at the end of a financial year, notwithstanding the precautionary measures adopted by the council, such deficit shall immediately be made good in the annual or adjustments budget for the ensuing financial year, and shall not be offset against any un-appropriated surplus carried forward from preceding financial years.
- 4.11 The municipality shall establish and maintain a provision for accrued leave entitlements equal to 100% of the accrued leave entitlement of officials as at 30 June of each financial year, and shall budget appropriately for contributions to such provision in each annual and adjustments budget.
- 4.12 The municipality shall establish and maintain a provision for bad debts in accordance with its rates and tariffs policies, and shall budget appropriately for contributions to such provision in each annual and adjustments budget.
- 4.13 All expenses, excluding depreciation expenses, shall be cash-funded.
- 4.14 All redemptions of external loans shall be paid from the municipality bank account and must have sufficient provision be in the calculation of tariffs to recover such expenses.
- 4.15 The municipality shall adequately provide in each annual and adjustments budget for the maintenance of its fixed assets in accordance with its fixed asset management policy and the accounting policy. At least 7% of the operating budget component of each annual and adjustments budget shall be set aside for such maintenance.

5. Commencement

The budget policy is applicable to the Msunduzi Municipality.

The policy and amendments shall be effective as from 1 July 2013.



VIREMENT POLICY

TABLE OF CONTENTS

1. Introduction
2. Definition
3. Types of virement
4. Provision for virement outside the adjustment budget process
5. General

1. Introduction

In compliance with Municipal Finance Management Act, the policy seeks to give flexibility in terms of undertaking virement in an event of changes that may take place in line with service delivery and budget implementation plan (sdbip) of the municipality.

2. Definition

Virement is the process of transferring funds from one line item of a budget to another. The term is derived from a French word meaning a commercial transfer.

3. Types of Virements

3.1 Line item Virement

Line item virement is the process of funds re-allocation between line items within a vote (department).

3.2 Vote Virement

Vote virement is the process of funds re-allocation between the votes (department), undertaken during the mid-year budget process.

4. Provision for virement outside the adjustment budget process

Unforeseen and unavoidable expenditure will be dealt with in terms of the Municipal Finance Management Act (MFMA).

Exceptional circumstances

The virement will only take place subject to conditions of authorization as contained in the virement procedure manual.

5. General

The Municipal Manager shall be responsible for the implementation and administration of this Policy.

The policy as amended will be effective as from **1 July 2013**.



MSUNDUZI ANNUAL BUDGET

CASH MANAGEMENT AND INVESTMENT POLICY

TABLE OF CONTENTS

1. INTRODUCTION
2. OBJECTIVES OF THE POLICY
3. CASH MANAGEMENT
4. CASH MANAGEMENT PRINCIPLES
5. INVESTMENT PRINCIPLES
6. COMMENCEMENT

1. Introduction

This policy applies to the Msunduzi Municipality, its municipal entities and its investment managers acting on behalf of or assisting it or a municipal entity in making or managing investments (S 2: GN 308: 2005)

2. Objectives of the policy

This investment policy is therefore aimed at gaining the highest possible return on investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes. The effectiveness of the investment policy is dependent on the accuracy of the municipality's cash management programme, which must identify the amounts surplus to the municipality's needs, as well as the time when and period for which such revenues are surplus.

3. Cash Management

- 3.1 Is to collect all monies as soon as possible after they become payable and deposit them into a bank account
- 3.2 Effective control over expenditure and proper planning of payments.
- 3.3 Administer affectively and control available cash through the proper management of one or more bank accounts.

4. Cash Management Principles

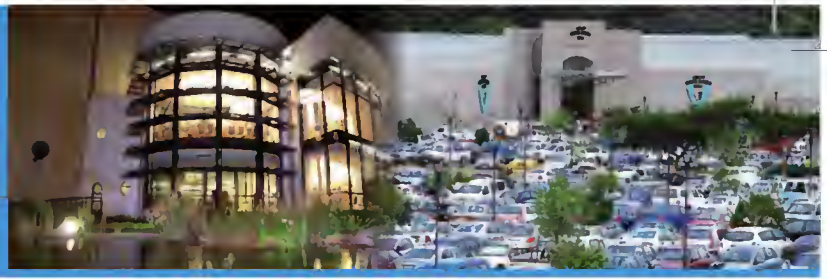
The Chief Financial Officer shall monitor cash flows on a daily basis to ensure that Council is able to meet its financial commitments and that the operating bank account does not carry unduly high balances. Any surplus funds shall be transferred on a daily basis to a call account attracting the highest possible interest provided that those funds can be retrieved at short notice.

5. Investment Principles

5.1 Standard of Care

Investments made by The Msunduzi Municipality and its municipal entities must be made with such judgement and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise in the management of that persons own affairs and in accordance with the standard of care set out in regulation 5; GN 308:2005 to ensure that it placed its investments with credit-worthy institutions.

All investments must be genuine investments that are, not made for speculation.



Investments must in the first instance be made with the primary regard being to the probable safety of the investments. In the second instance, to the liquidity needs of the municipality and lastly to the probable income derived from the investment.

A municipality or municipal entity must regularly monitor its investment portfolio; and when appropriate, liquidate an investment that no longer has the minimum acceptable credit rating as specified in this policy,

A municipality or municipal entity may make an investment only if the investment is denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the rand against any foreign currency.

5.2 Limiting Exposure

The municipality must take all reasonable and prudent steps, consistent with its Investment Policy and according to the standard of care in section mentioned in 5.1 above:-

In terms of GN 308; 2005 S 4 (c) (ii) (bb) the policy must have due regard for the need for investment diversification. In terms regulation 10 (GN 308:2005) this investment may include the placing of investment portfolio across institutions, types of investments and investment maturities in order to limit the risk exposure of the municipality.

The municipality shall further ensure that investments are spread across more than one investment category or type, for example call, money market and fixed deposits and that the investment maturities are not all the same.

5.3 Risk and Return

Subject to section 4 (c) (ii) of the Municipal Cash Management and Investment Regulations, the Chief Financial Officer in making investments on behalf of the municipality shall always strive to obtain the best interest rate on offer, this consideration must be tempered by the degree of risk involved.

6. Commencement

This policy and amendments shall be affective as from 1 July 2013.



MSUNDUZI ANNUAL BUDGET

FUNDING AND RESERVES POLICY

TABLE OF CONTENTS

1. INTRODUCTION
2. OBJECTIVE OF THE POLICY
3. APPLICATION AND SCOPE

I. Introduction

This policy deals with funding the budget, realizing surplus in the operations and building reserves in order for the municipality to expand the capital programs as prioritized on the Integrated Development Plan (IDP).

2. Objective of the policy

- 2.1 To have a funded budget
- 2.2 To realize surpluses
- 2.3 To create and grow the reserves.

3 Application and Scope

The Funding and Reserves Policy is applicable to the Msunduzi Municipality.

The policy as amended will be effective as from 1 July 2013.



2013/2014 RATES POLICY

TO BE...APPROVED BY FULL COUNCIL PER BUDGET RESOLUTION: AT THE END OF MAY 2013

I. DEFINITIONS:

In this document and in addition to the definitions in the act, and unless the context indicates otherwise -

- 1.1 **“agricultural property”** means property used for agricultural purposes ie production of crops, live-stock or generally recognized agricultural activities with those buildings which are generally considered necessary for agricultural activities, as defined in the Act;
- 1.2 **“category”** –
 - 1.2.1 in relation to property, means a category of properties determined in terms of section 8 of the Act; and
 - 1.2.2 in relation to owners of properties, means a category of owners determined in terms of section 15(2) of the Act;
- 1.3 **“child headed household”** means a household where both parents are deceased and where all occupants of the property are children of the deceased and are all under the legal age to contract for services and are considered as minors in law by the state;
- 1.4 **“developer”** means an owner who purchases raw land and installs the necessary infrastructure for development of the land for residential, industrial or commercial purposes.
- 1.5 **“dwelling, shops, flats”** (DSF) means any property where a commercial component exists together with a block of residential units provided that two thirds or more of the floor area is used for residential purposes
- 1.6 **“effective date”**–
 - 1.6.1 in relation to a valuation roll, means the date on which the valuation roll takes effect in terms of section 32(1) of the Act; or
 - 1.6.2 in relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of section 78(2)(b) of the Act;
- 1.7 **“financial year”** means the period starting from 1 July in a year to 30 June the next year;
- 1.8 **“impermissible rates category”** means all properties in the valuation roll that are not permitted to be rated in terms of Section 17 of the MPRA, comprising places of worship, land beneficiaries and protected areas as declared by the Department of Environmental Affairs.
- 1.9 **“land reform beneficiary”**, in relation to a property, means a person who-
 - 1.9.1 acquired the property through-
 - 1.9.1.1 the Provision of Land and Assistance Act, 1993 (Act NO.126 of 1993); or
 - 1.9.1.2 the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994)
 - 1.9.2 holds the property subject to the Communal Property Associations Act, 1996 (Act No. 28 of 1996); or
 - 1.9.3 holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25(6) and (7) of the Constitution be enacted after this Act has taken effect;



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- 1.10 **“market value”** in relation to a property, means the value of the property determined in accordance with section 46 of the Act;
- 1.11 **“mining”** means property used for mining purposes or purposes incidental to mining operations.
- 1.12 **“Minister”** means the Cabinet member responsible for local government;
- 1.13 **“multiple purposes”** means a property used for more than one purpose.
- 1.14 **“municipal property”** means property of which the Municipality is the owner but excludes registered leases and for the purposes of rating those properties occupied by persons other than the municipality;
- 1.13 **“newly rateable property”** means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding-
 - 1.13.1 a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
 - 1.13.2 a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified;
- 1.14 **“occupier”** means any person who occupies any property or part thereof, without regard to the title under which he/she occupies the property.
- 1.15 **“other property”** means all properties that are not included in the rates property categories in respect of section 16 a to g of the Msunduzi municipality rates policy
- 1.16 **“owner”**-
 - 1.16.1 in relation to a property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;
 - 1.16.2 in relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;
 - 1.16.3 in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
 - 1.16.4 in relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:
 - 1.16.4.1 A trustee, in the case of a property in a trust excluding state trust land;
 - 1.16.4.2 an executor or administrator, in the case of a property in a deceased estate;
 - 1.16.4.3 a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
 - 1.16.4.4 a judicial manager, in the case of a property in the estate of a person under judicial management;
 - 1.16.4.5 a curator, in the case of a property in the estate of a person under curatorship;
 - 1.16.4.6 a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
 - 1.16.4.7 a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
 - 1.16.4.8 a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;



- 1.17 **“permitted use”** in relation to a property, means the limited purposes for which the property may be used in terms of –
- 1.17.1 any restrictions imposed by-
- 1.17.1.1 a condition of title;
- 1.17.1.2 a provision of a town planning or land use scheme; or
- 1.17.1.3 any legislation applicable to any specific property or properties; or
- 17.2 any alleviation of any such restrictions; “person” includes an organ of state;
- 1.18 **“places of worship”** means a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office bearer of that community who officiates at services at that place of worship,
- 1.19 **“property”** means-
- 1.19.1 immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- 1.19.2 a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- 1.19.3 a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- 1.19.4 public service infrastructure;
- 1.20 **“protected area”** means an area that is or has to be listed in the register referred to in 10 of the National Environmental Management; Protected Areas Act, 2003.
- 1.21 **“public benefit organization property”** means any property owned by a public benefit organization and used for any specified public benefit activity listed in part 1 of the ninth Schedule to the Income Tax Act excluding Item 3 and 5 being land and housing, places of worship already where rebates, reductions and exemptions have already been considered under impermissible rates. Ratios published by the minister for items 1, 2 and 4 of the schedule must not exceed those published by the minister from time to time.
- 1.22 **“public service infrastructure”** means publicly controlled infrastructure of the following kinds:
- 1.22.1 national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- 1.22.2 water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- 1.22.3 power stations, power substations or power lines forming part of an electricity scheme serving the public;
- 1.22.4 gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- 1.22.5 railway lines forming part of a national railway system;
- 1.22.6 communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- 1.22.7 runways or aprons at national or provincial airports;
- 1.22.8 any other publicly controlled infrastructure as may be prescribed; or
- 1.22.9 a right registered against immovable property in connection with infrastructure mentioned in paragraphs 1.22.1 to 1.22.8;



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- 1.23 **“residential property”** means a property included in the valuation roll as residential
- 1.24 **“rural communal property”** means agricultural or township property where there is a single cadastral holding developed predominantly for residential purposes and/or traditional rural homesteads, and which may also have a variety of non-residential structures which collectively constitute the minority in terms of measured building area, including property belonging to the Ingonyama Trust Board and property belonging to a land reform beneficiary, where the dominant use is residential rather than commercial agricultural.
- 1.25 **“sectional title garages”** means any garage within a residential sectional title scheme that has been registered as a separate sectional title unit.
- 1.26 **“small home business”** – means a property previous rated as residential where an owner or lessee runs a small business from the premises and which is still primarily used as a place of residence by that owner or lessee and where special consent has been obtained in terms of the Town Planning scheme to run this business on the premises. All conditions in respect of the Special Consent will apply.
- 1.27 **“the Act”** means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004).
- 1.28 **“unauthorized use”**– means any property used for any purpose other than its p e r m i t t e d zoned use or that has not been granted special consent by the municipality in terms of its Town Planning Scheme; and that has any unauthorized structures on the property that are not part of the approved plan; that cannot therefore be placed into any of the existing current permitted use categories approved by Council in the Rates Policy.
- 1.29 **“vacant land”** means any undeveloped property as listed in the valuation roll

PART I: RATES POLICY

2. ADOPTION AND CONTENTS OF RATES POLICY

- 2.1 The Municipality shall adopt a rates policy in terms of which all rateable properties within its area of jurisdiction are rated.
- 2.2 The rates policy shall take effect on the effective date of the first valuation roll prepared by the Municipality under the Act, and shall accompany the Municipality's budget for the financial year concerned when the budget is tabled in terms of section 16(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

3. COMMUNITY PARTICIPATION

Before the Municipality adopts or amends its rates policy it shall follow a process of community participation in accordance with Chapter 4 of the Local Government: Municipal Systems Act ,2000(Act 32 of 2000) and section 4 and 5 of the Act.”

PART 2: LEVYING OF RATES

4. LEVYING OF RATES

- 4.1 The Municipality shall levy rates on all rateable property within its area, provided that it may, by resolution, grant exemptions from, rebates on or reductions in, rates levied in terms of this policy or in terms of a national framework prescribed under the Act.
- 4.2 In levying rates on property the Municipality is not obliged to levy rates on properties of which it is the owner, or public service infrastructure, or on properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure resulting from past racially discriminatory laws or practices.



5. DIFFERENTIAL RATES

The Municipality may, by resolution, and in terms of criteria set out in this policy, levy different rates for different categories of rateable property, which may include categories determined according to the use of the property, the permitted use of the property or the geographical area in which the property is situated.

6. IMPERMISSIBLE DIFFERENTIATION

The Municipality may not levy -

- 6.1 different rates on residential properties, except as provided for in sections 11(2) (uniform fixed amount for rates), 21 (phasing in of rates) and 89 (use of existing valuation roll/supplementary roll) of the Act;
- 6.2 a rate on a category of non-residential properties that exceeds a prescribed ratio to the rate on residential properties determined in terms of section 11 (1)(a) (on the market value of the property) of the Act: Provided that different ratios may be set in respect of different categories of non-residential properties;
- 6.3 rates which unreasonably discriminate between categories of non-residential properties;
- 6.4 additional rates except as provided for in section 22 (special rating areas) of the Act.

7. PROPERTIES USED FOR MULTIPLE PURPOSES

A property used for multiple purposes and where there is not a separate rating category shall, for rates purposes, be assigned to a category determined by the Municipality for the primary use of the property.

8. LEVYING OF PROPERTY RATES ON SECTIONAL TITLE SCHEMES

- 8.1 A rate on property which is subject to a sectional title scheme shall be levied on the individual sectional title units in the scheme and not on the property as a whole.
- 8.2 This will be applicable only after the first valuation roll of the Municipality has been prepared in terms of the Act. In the interim, the body corporate remains liable for payment of rates on sectional title schemes. Once the valuation roll has been prepared, the body corporate will only be liable for payment of rates in those cases where it is the owner of any specific sectional title unit.

9. AMOUNT DUE FOR RATES

- 9.1 The rate levied by the Municipality shall be an amount in the Rand on the market value of the property.
- 9.2 Furthermore, in the interest of accelerating the provision of basic services to communities, and enhancing the international competitiveness of the South African economy and mobilization of foreign investments and job creation, the Municipality may consider exempting from rating all components of public service infrastructure as defined in the Act.
- 9.3 The Municipality acknowledges that the Minister may from time to time increase the monetary threshold referred to in section 21, to reflect inflation.

10. PERIOD FOR WHICH RATES MAY BE LEVIED

- 10.1 The Municipality shall levy rates for one financial year at a time. At the end of each financial year the rate levied for that financial year shall lapse.
- 10.2 The Municipality shall, annually, at the time of its budget, set the amount in the Rand for rates.
- 10.3 The levying of rates shall form part of the Municipality's annual budget process as set out in Chapter 4 of the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003).



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II. COMMENCEMENT OF RATES

Rates levied by the Municipality shall become due and payable as from the start of the financial year.

12. PROMULGATION OF RESOLUTIONS LEVYING RATES

- 12.1 A rate levied by the Municipality shall be adopted by resolution supported by a majority of the members of the Council.
- 12.2 The Municipality shall publish the resolution in the Provincial Gazette.
- 12.3 The Municipal Manager shall, without delay, conspicuously display the resolution for a period of at least 30 days at the Municipality's head office and satellite offices and libraries and, if applicable, on a website available to it.
- 12.4 In addition, the Municipal Manager shall, without delay, advertise in the media a notice stating that a resolution levying a rate on property has been passed by the Council and that the resolution is available for inspection at the Municipality's head office and satellite offices and libraries during office hours and on the Municipality's website, if applicable.

13. EXEMPTIONS. REDUCTIONS AND REBATES

- 13.1 The Municipality shall not grant relief in respect of the payment of rates other than by way of exemption, rebate or reduction, nor shall it grant such relief to the owner of a property on an individual basis.
- 13.2 The Municipal Manager shall annually table in the Council of the Municipality a list of all exemptions, rebates and reductions granted by the Municipality during the previous financial year together with a statement reflecting the income foregone by the Municipality by way of exemptions, rebates, reductions, exclusions and the phasing-in discount granted in terms of section 21 of the Act.
- 13.3 The Council shall identify, and provide reasons for, exemptions, rebates and reductions when the annual budget is tabled in terms of section 16(2) of the Local Government: Municipal Finance Management Act, 2003.

14. CATEGORIES OF PROPERTIES

The Council may, by resolution, grant exemptions, reductions and rebates on the following categories of properties -

- 14.1 residential property;
- 14.2 small home business;
- 14.3 vacant land;
- 14.4 agricultural property;
- 14.5 public service infrastructure;
- 14.6 rural communal property;
- 14.7 impermissible rates property;
- 14.8 mining;
- 14.9 sectional title garages (separately registered)
- 14.10 unauthorized use property;
- 14.11 DSF properties
- 14.12 public benefit organisation property;
- 14.14 other property



PART 3: LIMITATIONS OF LEVYING OF RATES

15. CONSTITUTIONALLY IMPERMISSIBLE RATES

The Municipality acknowledges that it may not levy rates on property in a way that would materially and unreasonably prejudice national economic policies, economic activities across its boundary or the national mobility of goods, services, capital or labour as provided for in section 229(2)(a) of the Constitution.

16. OTHER IMPERMISSIBLE RATES

- 16.1.1 The Municipality shall not levy a rate on those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act, or of a national botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004, which are not developed or used for commercial, business, agricultural or residential purposes.
- 16.1.2 In respect of subsection (a), the exclusion from rates shall lapse if the declaration of that property as a special nature reserve, national park, nature reserve or national botanical garden, or as part of such reserve, park, or botanical garden, is withdrawn in terms of the applicable Act.
- 16.1.3 The Municipality may levy a rate on those portions of a protected area and/or national botanical garden that are developed or used for business, commercial, agricultural or residential purposes.
- 16.1.4 In order to determine whether the exclusion from rates lapses in respect of the properties mentioned in subsection (16.1.1), the Municipality shall refer to the register to be provided by the Department of Environmental Affairs entitled "Register of Protected Area", containing a list of all protected areas, the name of the Municipality where the protected area is located, cadastral boundaries, the kind of protected area in each case, the date of declaration and withdrawal. The register will be updated annually and forwarded to Municipalities.
- 16.2.1 The Municipality shall not levy a rate on a property registered in the name of and used primarily as a place of public worship by a religious organisation, including an official residence registered in the name of that organisation which is occupied by an office-bearer of that organisation who officiates at services at that place of public worship.
- 16.2.2 In respect of the exclusion from rates on a property registered in the name of, and used primarily as a place of public worship by, a religious organisation, the Municipality regards the religious organisation as a non-profit making entity regarding the use of the property. Therefore, any deviation from this principle shall automatically disqualify the religious organisation from enjoying the benefits conferred by the Act.
- 16.2.3 The principle stated in subsection (16.2.2) shall also apply where a property in the ownership of one religious organisation is used by another religious organisation. In that case, if any money changes hands between the two religious organisations, such money should be limited to settlements of municipal financial obligations such as payments for user service charges, e.g., on water, electricity, refuse removal and the like.
- 16.2.4 In the case of a property owned by a non-religious entity or organisation, but made available to a religious organisation for use as a place of public worship, such non-religious entity or organisation shall be liable for payment of rates on such property.
- 16.2.5 Where a religious organisation enjoys the benefit afforded by the Act and the property is disposed of by the religious organisation owning it, the benefit shall lapse and rates on such property shall become payable.
- 16.2.6 Similarly, where the property is no longer used primarily as a place of public worship or, in the case of an official residence registered in the name of that organisation, where such residence is no longer used as a residence by the office-bearer who officiates at services at that place of worship, the exclusion from rates in respect of those properties shall lapse.



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- 16.3. The Municipality shall not levy a rate on mineral rights within the meaning of paragraph (b) of the definition of "property" in section 1.
- 16.4 The Municipality shall not levy a rate on a property belonging to a land reform beneficiary or his or heirs, provided that this exclusion shall lapse ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds.
- 16.5 In respect of properties assigned in the valuation roll to a category determined by the municipality for residential purposes, the rates levied shall be calculated on the market value of the property less an amount of R 15 000; plus any additional amount as resolved by Council at the time of the annual budget.
- 16.6 The Municipality shall not levy a rate on the first 30% of the market value of public service infrastructure.

17. PRIMARY REBATES PER CATEGORY OF PROPERTY

The Municipality may by resolution grant a rebate on the rate payable on the following categories of rateable properties -

- 17.1 residential property;
- 17.2 home businesses;
- 17.3 agricultural property;
- 17.4 public service infrastructure;
- 17.5 rural communal property;
- 17.6 D S F property
- 17.7 mining;
- 17.8 sectional title garages (separately registered)
- 17.9 public benefit organization property;
- 17.10 other property

The Municipality shall in each financial year determine the amount of the rebate to be granted to each of the categories specified in subsection (1).

18. REBATES PER CATEGORY OF OWNER

- 18.1 The Municipality may grant a rebate on a property owned and occupied by the Msunduzi Municipality.
- 18.2 The Municipality may grant a rebate on a property whose owner is a receipt of an old age pension or disability grant, provided that the applicant satisfies all the criteria for such rebate. The rebate will lapse on the death of any applicant.
- 18.3 The Municipality may grant a rebate to a minor(s) who owns property or is the sole heir of a property where all owners and occupants are under the age of 18 and where all other criteria for the rebate are met.
- 18.4 The Municipality may grant a rebate on a rateable property which has been listed under the Municipality's Town Planning Scheme, provided that the owner of such property qualifies in terms of the criteria for this rebate.
- 18.5 The Municipality may grant a rebate to developers who own property and install the necessary infrastructure for the development of the vacant land and which results in an enhanced market value of the land, provided that the owner of such property satisfies the criteria for such rebate as may be determined by the Municipality.
- 18.6 A rebate granted on the rate payable on any property referred to in sections 18.2 – 18.5, inclusive, is conditional upon there being no outstanding rates or service charges owing and payable on such property except to an owner who is in receipt of an old age pension, disability grant or child headed household, provided that an arrangement in terms of the credit control policy for any arrears is in place, and is being maintained.



- 18.7 No rebate will be granted to any developer as envisaged in 18.5 above, who has previously received a business concession or development incentive from Council for any part of the development.

19. COMPULSORY PHASING-IN OF CERTAIN RATES

- 19.1 A rate on property newly incorporated into the borough, shall be phased in over a period of three financial years.
- 19.2 A rate levied on newly rateable property owned and used by organisations conducting specified public benefit activities and registered in terms of the Income Tax Act for those activities shall be phased in over a period of four financial years.
- 19.3 In respect of the rates referred to in subsection 19.1, the phasing in discount for newly incorporated properties shall be applied as follows:
- 19.3.1 First year: at least 75% of the rate for that year otherwise applicable to that property;
- 19.3.2 Second year: at least 50% of the rate for that year otherwise applicable to that property;
- 19.3.3 Third year: at least 25% of the rate for that year otherwise applicable to that property.
- 19.4 In respect of properties referred to in subsection 19.2, the Municipality shall not levy a rate on such properties during the first year. Thereafter, the phasing-in discount for properties conducting public benefit activities shall be applied as follows:
- 19.4.1 Second year: at least 75% of the rate for that year otherwise applicable to the property;
- 19.4.2 Third year: at least 50% of the rate for that year otherwise applicable to that property;
- 19.4.3 Fourth year: at least 25% of the rate for that year otherwise applicable to that property.
- 19.5 A rate levied on properties referred to in subsections 19.1 and 19.2 shall not be higher than the rate levied on similar property or category of properties in the Municipality.
- 19.6 The Municipality may apply to the Minister to extend the phasing-in period referred to in subsections 19.1 and 19.2 but such extended period, together with the initial period, shall not exceed six financial years.

PART 4 : ADDITIONAL RATES

20. ADDITIONAL RATES FOR SPECIAL RATING AREAS

- 20.1 The Municipal Council may by resolution of its council –
- 20.1.1 determine an area within the Municipality as a special rating area;
- 20.1.2 levy an additional rate on the property in that area for the purpose of raising funds for improving or upgrading that area; and
- 20.1.3 differentiate between categories of properties when levying an additional rate referred to in paragraph 20.1.2
- 20.2 Before determining a special rating area the Municipality must –
- 20.2.1 consult the affected community on the proposed boundaries on the following matters
- 20.2.1.1 the proposed boundaries of the area; and
- 20.2.1.2 the proposed improvement or upgrading of the area; and
- 20.2.2 obtain the consent of the majority of the members of the affected community in the proposed special rating area who will be liable for paying the additional rate.



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- 20.3 When a municipality determines a special rating area, the Municipality –
- 20.3.1 must determine the boundaries of the area;
 - 20.3.2 must indicate how the area is to be improved or upgraded by funds derived from the additional rate;
 - 20.3.3 must establish separate accounting and other record-keeping systems regarding –
 - 20.3.3.1 the revenue generated by the additional rate; and
 - 20.3.3.2 the improvement and upgrading of the area; and
 - 20.3.4 may establish a committee composed of persons representing the community in the area to act as consultative and advisory forum for the municipality on the improvement and upgrading of the area, provided representivity, including gender representivity, is taken into account when such a committee is established. Such a committee must be a subcommittee of the ward committee or committees in the area, if the municipality has a ward committee or committees in the area.
- 20.4 This section may not be used to reinforce existing inequities in the development of the municipality, and any determination of a special rating area must be consistent with the objectives of the municipality's integrated development plan
- 20.5 This section must be read with section 85 of the Municipal Systems Act if this section is applied to provide funding for an internal municipal services district established in terms of that section of the Municipal Systems Act.
- 20.6 The municipality may enact By-Laws to further regulate special rating areas.

PART 5: LIABILITY FOR RATES

21. PROPERTY RATES PAYABLE BY OWNERS

- 21.1 A rate levied on a property shall be paid by the owner of that property.
- 21.2 Where a property is owned jointly the owners shall be jointly and severally liable for the payment of the rates on such property.
- 21.3 In respect of agricultural property that is owned by more than one owner in undivided shares where the holding of such undivided shares was allowed before the commencement of the Subdivision of Agricultural Land Act, 1970 (Act No. 70 of 1970), the Municipality shall hold owners jointly and severally liable for all rates levied in respect of the property concerned
 - 21.4.1 Council buildings and land let to individual tenants, involving separately registered subdivisions, shall be shown separately in the valuation roll and shall be valued at market value.
 - 21.4.2 In respect of a Council building where multiple tenancies occur, the entire building shall be valued at market value, based on a pro rata portion of the market value, calculated by lettable area.

22. PAYMENT OF RATES ON PROPERTY IN SECTIONAL TITLE SCHEMES

- 22.1 A rate levied by the Municipality on a sectional title unit is payable by the owner of the unit and not by the body corporate controlling the sectional title scheme; provided that this will be applicable only after the first valuation roll of the Municipality has been prepared in terms of the Act.
- 22.2 Where a sectional title scheme is in the course of development, the undeveloped portion of the property shall be valued and separately rated and the rates on such undeveloped portion shall be paid by the body corporate.
- 22.3 The common property in a sectional title scheme shall not be valued or rated.



23. METHOD AND TIME OF PAYMENT

- 23.1 The Municipality shall recover rates on a monthly basis.
- 23.2 Rates shall be paid in each month on or before a date determined by the Municipality.
- 23.3. 23.3.1 The final date for the payment of rates, as determined by the Municipality in terms of subsection (2) above, shall not be affected by reason of any objection in terms of section 52, or an appeal in terms of section 55, of the Act.
- 23.3.2 If the result of any objection or appeal is that the valuation is –
 - 23.3.2.1 unchanged, the Municipality may collect any penalty that may have accrued to it in terms of section 26
 - 23.3.2.2 adjusted downwards, the Municipality shall only collect such penalty on the rates due on such reduced valuation and any over-payment that may have been made shall be refunded;
 - 23.3.2.3 adjusted upwards, the Municipality shall, in addition to collecting such penalty on the rates due on the valuation before the objection or appeal, also collect such penalty charges on the additional amount of rates due in consequence of such upward adjustment, which remains unpaid after the date specified for payment thereof in a notice served by the Municipal Manager, or his authorized representative, on the person liable for the payment of the rates.

24. ACCOUNTS TO BE FURNISHED

- 24.1 The Municipality shall furnish each person liable for payment of a rate with a written account which shall contain the following information –
 - 24.1.1 the amount due for rates payable;
 - 24.1.2 the date on or before which the amount is payable;
 - 24.1.3 how the amount was calculated;
 - 24.1.4 the market value of the property;
 - 24.1.5 if the property is subject to any compulsory phasing-in discount in terms of section 21 of the Act, the amount of the discount;
 - 24.1.6 if the property is subject to any additional rate in terms of section 22 of the Act, the amount due for additional rates.
- 24.2 Any person liable for the payment of a rate in respect of rateable property shall notify the municipality of any address within the Republic to which notices in respect of such property shall be sent.
- 24.3 Any notice which the municipality is required to give in terms of section 24.1 shall be deemed to have been properly given –
 - 24.3.1 if it has been sent by pre-paid post –
 - 24.3.1.1 to an address notified in terms of subsection 24.2;
 - 24.3.1.2 if subparagraph 24.3.1.1 does not apply and the property is not vacant land, to the address of the property shown in the valuation roll; or
 - 24.3.1.3 to an address which appears to be the residential or business address of the person liable for the payment of the rate, according to the records of the municipality, which method of posting shall be utilized if subparagraphs 24.3.1.1 and 24.3.1.2 do not apply or if any notice posted in terms of the said subparagraphs has been returned as undelivered;



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- 24.3.2 if it has in fact come to the notice of the person to whom it is required to be given;
- 24.3.3 if paragraphs 24.3.1 and 24.3.2 do not apply, by affixing on the notice board of the municipality for a period of at least thirty days, a schedule containing the name of the person who is liable for the payment of the rate as shown in the valuation roll and the particulars required by section 28(1) of the Act;

24.4 Where a property in respect of which a rate is payable, is owned by more than one person and either or both of whom are liable for the payment of a rate on such property, the notices required to be given in terms of this section shall be deemed to have been properly given if posted or delivered to the address of one of such persons; provided that such persons may agree amongst themselves to which address such notices shall be posted or delivered and may notify the municipality accordingly, in the manner provided for in subsection 24.3.

24.5 24.5.1. Any person who is liable for payment of a rate but who has not received an account shall not be absolved from paying the amount owing by due date and any amount outstanding after such date shall attract penalty charges as provided for in section 26 of this policy;

24.5.2 If any person who is liable for payment of a rate does not receive an account, such person shall obtain a copy of such account from the offices of the Municipality, before the due date for payment of the account.

24.5.3 If any person who is liable for the payment of a rate shall notify the Municipality of any change of address including any e-mail address or other contact details;

24.5.4 A change of address referred to in 24.5.3 above shall take effect on receipt thereof by the Municipality;

24.5.5 If any person who is liable for the payment of a rate does not receive an account as a result of such person's failure to notify the municipality of a change of address, such person shall nevertheless pay the amount owing by the due date.

25. RECOVERY OF ARREAR RATES

25.1 In terms of the Municipal Finance Management Act the municipality shall take all necessary measures to recover all rates due and payable to the municipality.

25.2 A letter of demand shall be sent to the owner if the account is 60 days or more in arrears.

25.3 The municipality shall terminate the services to the property if the owner fails to respond to the letter of demand, regardless of whether the owner is the occupier on the property.

25.4 The municipality may publish a list of all rates defaulters who have failed to pay within 60 days after the final instalment of the rates assessment calling on the ratepayer to settle the arrears within a specified time frame, failing which by public the Council' credit control and debt collection procedures will be followed and an application will be made to a court of competent jurisdiction for an order for the sale by public auction.

25.5 If the rates remain unpaid in terms of 25.4 above, the municipality shall make application to a court of competent jurisdiction showing the amount of rates, penalties and surcharges then in arrear, and that all notices have been given and requesting the court to order any such rateable property be sold by public auction and the proceeds thereof to be paid in to court, and to direct payment to the Municipality of all rates and penalties accrued in respect of the date of such sale together with the costs of obtaining the said order.

25.6 If before the sale of any rateable property in terms of an order made under subsection (25.5) there is produced to the Deputy Sheriff or other person charged with the sale thereof, a certificate by the Municipality that all amounts owing in terms of outstanding and arrear rates and penalty charges have been paid, the said property shall be withdrawn from the sale.



- 25.7 Notwithstanding that all outstanding and arrear rates penalty charges may have been paid before the said sale, the Municipality shall not be liable to any person for any loss or damage suffered by such person by reason of the sale of any such property in respect of which no such certificate has been produced to the said Deputy Sheriff or other person.

26. INTEREST AND COLLECTION CHARGES

- 26.1 Interest will be charged on all rates arrears in terms of the Municipal Finance Management Act and the Municipal Systems Act.
- 26.2 In addition to interest charged in respect of any property, collection charges shall accrue as follows:
- 26.2.1 As from the last working day referred to in section 25.4 of this policy, an amount representing ten per cent (10%) of the capital amount of the rates then in arrear in terms of Section 75 (1) A of the Municipal Systems Act;
 - 25.2.2 On the grant of a court order in terms of section 25.5 of this policy, a further amount representing ten per cent (10%) of the capital amount of the rates then in arrear in terms of Section 75 (1) A of the Municipal Systems Act.
- 26.3 The said charges shall be payable to the Municipality and the said amounts or such of them as may be applicable may be recovered by it in any proceedings for the recovery of rates.

27. RESTRAINT ON THE TRANSFER OF PROPERTY AND REVENUE CLEARANCE CERTIFICATES

- 27.1 Section 118 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) provides as follows:
- “118(1)A registrar of deeds may not register the transfer of property except on production of a prescribed certificate –
- (a) issued by the municipality or municipalities in which that property is situated; and
 - (b) which certifies that all amounts that became due in connection with that property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been fully paid.
- 1A) A prescribed certificate issued by a municipality in terms of subsection (1) is valid for a period of 60 days from the date it has been issued.
- (2) In the case of the transfer of property by a trustee of an insolvent estate, the provisions of this section are subject to section 89 of the Insolvency Act, 1936 (Act No. 24 of 1936).
- (3) An amount due for municipal services, surcharges on fees, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property.
- (4) Subsection (1) does not apply to –
- (a) a transfer from the national government, a provincial government or a municipality of a residential property which was financed with funds or loans made available by the national government, a provincial government or a municipality; and
 - (b) the vesting of ownership as a result of a conversion of land tenure rights into ownership in terms of Chapter 1 of the Upgrading of Land Tenure Rights Act, 1991 (Act No. 112 of 1991);



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Provided that nothing in this subsection precludes the subsequent collection by a municipality of any amounts owed to it in respect of such a property at the time of such transfer or conversion.

- (5) Subsection (3) does not apply to any amount referred to in that subsection that became due before a transfer of a residential property or a conversion of land tenure rights into ownership contemplated in subsection (4) took place.”

- 27.2 The provisions of section 118 of the Systems Act shall be strictly adhered to at all times.
- 27.3 Only applications completed in full on the prescribed form, received from a bona fide conveyancer, State Department or Municipal Department and accompanied by the prescribed fee as recorded in the tariff register will be processed.
- 27.4 In accordance with section 118 (i) of the Systems Act, where the amount due on a property exceeds two years and a clearance certificate is issued, all amounts in excess of the 2 year requirement will be endorsed on the clearance certificate and the conveyancer shall notify the purchaser of the property in writing that he/she will be liable for the outstanding account(s) on transfer. A copy of the notification must be sent to the municipality on transfer.
- 27.5 Section 118(1A) (b) shall not apply where the owner or occupant of the property has signed a waiver of this section for the purposes of payments arrangements in terms of the Msunduzi Municipality Debt Collection and Credit Control Policy and the full arrears relating to the property shall be paid.
- 27.6 Where the monthly consumption of services to a property has been averaged for a period of more than 60 days, the owner, in consultation with the Municipality, shall make arrangements for the reading of the meter in respect of the relevant services in order that the requirements of section 118 of the Systems Act are complied with.
- 27.7 Where a conveyancer is able to demonstrate that exceptional circumstances exist, the Chief Financial Officer or the delegated authority may accept a letter of undertaking, or a guarantee, for the payment of the full amounts required, provided that the full amounts are paid on the date of registration of transfer of the property.

28. DATE OF VALUATION

- 28.1 For the purposes of a general valuation, the Municipality shall, by resolution, determine a date that may not be more than 12 months before the start of the financial year in which the valuation roll is to be first implemented.
- 28.2 The general valuation roll shall reflect the market value of properties determined in accordance with market conditions, which applied as at the date of valuation.

29. BY-LAWS TO BE ADOPTED

- 29.1 By-laws shall be adopted to give effect to the Council's Rates Policy.
- 29.2 By laws in terms of 29.1 above may differentiate between
- 29.2.1 different categories of properties; and
 - 29.2.2 different categories of owners of properties liable for the payment of rates.
- 29.3 The by-laws are to comply with the requirements of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the Municipal Property Rates Act (Act No. 6 of 2004) and the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).



30. ENFORCEMENT OF OTHER LEGISLATION

- 30.1 In addition to the provisions contained in this policy and the published by-laws relating hereto, the Council may enforce any other rights or exercise any power conferred upon it by the Municipal Systems Act, 2000 (No. 32 of 2000), the Property Rates Act, 2004 (Act No. 6 of 2004) and the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and any other applicable legislation.
- 30.2 In the event of an inconsistency between the provisions of this Policy and any other Policy, the provisions of this Policy shall prevail to the extent that the inconsistency can be established.
- 30.3 This Policy must be read in parallel with the Municipal Property Rates Act, The Municipal Finance Management Act and any other relevant legislation.

Appendix I

INCOME TAX ACT. NO. 58 OF 1962 NINTH SCHEDULE PUBLIC BENEFIT ACTIVITIES

PART I

WELFARE AND HUMANITARIAN

- (1) (a) The care or counselling of, or the provision of education programmes relating to, abandoned, abused, neglected, orphaned or homeless children.
- (b) The care or counseling of poor and needy persons where more than 90% of those persons to whom the care or counseling are provided are over the age of 60.
- (c) The care or counseling of, or the provision of education programmes relating to physically or mentally abused and traumatized persons.
- (a) The provision of disaster relief.
- (b) The rescue or dare of persons in distress.
- (c) The provision of poverty relief.
- (d) Rehabilitative care or counseling or education of prisoners, former prisoners and convicted offenders and persons awaiting trial,
- (e) The rehabilitation, care or counseling of persons addicted to a dependence-forming substance or the provision of preventative and education programmes regarding addiction to dependence-forming substances.
- (f) Conflict resolution, the promotion of reconciliation, mutual respect and tolerance between the various peoples of South Africa.
- (g) The promotion or advocacy of human rights and democracy.
- (h) The protection of the safety of the general public.
- (i) The promotion or protection of family stability.
- (j) The provision of legal services for poor and needy persons.
- (k) The provision of facilities for the protection and care of children under school-going age of poor and needy parents.
- (l) The promotion or protection of the rights and interests of, and the care of, asylum seekers and refugees.
- (m) Community development for poor and needy persons and anti-poverty initiatives, including-
- (i) the promotion of community-based projects relating to self-help, empowerment capacity building, skills development or anti-poverty;
- (i) the provision of training, support or assistance to community-based projects contemplated in item (i); or
- (ii) the provision of training, support or assistance to emerging micro enterprises to improve



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- (iii) capacity to start and manage businesses, which may include the granting of loans on such conditions as may be prescribed by the Minister by way of regulation.

HEALTH CARE

- (2) (a) The provision of health care services to poor and needy persons.
- (b) The care or counseling of terminally ill persons or persons with a severe physical or mental disability, and the counseling of their families in this regard.
- (c) The prevention of HIV infection, the provision of preventative and education programmes relating to HIV/AIDS.
- (d) The care, counseling or treatment of persons afflicted with HIV/AIDS, including the care or counseling of their families and dependants in this regard.
- (e) The provision of blood transfusion, organ donor or similar services.
- (f) The provision of primary health care education, sex education or family planning.

LAND AND HOUSING

- (3) (a) The development, construction, upgrading, conversion or procurement of housing units for the benefit of poor and needy persons.
- (b) The development, servicing, upgrading or procurement of stands, or the provision of building materials, for purposes of the activities contemplated in subparagraph (a).
- (c) The provision of residential care for retired persons, where more than 90% of the persons to whom the residential care is provided are over the age of 60 and regular meals and nursing services are provided by the organisation carrying on such activity.
- (d) Building and equipping of community centres, clinics, sport facilities or crèches or other facilities of a similar nature for the benefit of the poor and needy.
- (e) The promotion, facilitation and support of access to land and use of land, housing and infrastructural development for promoting official land reform programmes.
- (f) Granting of loans for purposes of subparagraph (a) or (b) subject to such conditions as may be prescribed by the Minister by way of regulation.
- (g) The protection, enforcement or improvement of the rights of poor and needy tenants, labour tenants or occupiers, to use or occupy land or housing.

EDUCATION AND DEVELOPMENT

- (4) (a) The provision of education by a "school" as defined in the South African Schools Act, 1996 (Act No. 84 of 1996).
- (b) The provision of "higher education" by a "higher education institution" as defined in the Higher Education Act, 1997 (Act No. 101 of 1997).
- (c) "Adult basic education and training" as defined in the Adult Basic Education and Training Act, 2000 (Act No. 52 of 2000), including literacy and numeracy education.
- (d) "Further education and training" provided by a "public further education and training institution" as defined in the Further Education and Training Act, 1998 (Act No. 98 of 1998).
- (e) Training for unemployed persons with the purpose of enabling them to obtain employment.
- (f) The training or education of persons with a severe physical or mental disability.
- (g) The provision of bridging courses to enable educationally disadvantaged persons to enter a higher education institution as envisaged by subparagraph (b).
- (h) The provision of educare or early childhood development services for pre-school children.
- (i) Training of persons employed in the national, provincial and local spheres of government, for purposes of capacity building in those spheres of government.
- (j) The provision of school buildings or equipment for public schools and educational institutions engaged in public benefit activities contemplated in subparagraphs (a) to (h).



- (k) Career guidance and counseling services provided to persons for purposes of attending any school or higher education institution as envisaged in subparagraphs (a) to (b).
- (l) The provision of hostel accommodation to students of a public benefit organization contemplated in section 30 or an institution, board or body contemplated in section 10(1)(cA)(i), carrying on activities envisaged in subparagraphs (a) to (h).
- (m) Programmes addressing needs in education provision, learning, teaching, training, curriculum support, governance, whole school development, safety and security at schools, pre-schools or educational institutions as envisaged in subparagraphs (a) to (h).
- (n) Educational enrichment, academic support, supplementary tuition or outreach programmes for the poor and needy.
- (o) The provision of scholarships, bursaries and awards for study, research and teaching on such conditions as may be prescribed by the Minister by way of regulation in the Gazette.

RELIGION, BELIEF OR PHILOSOPHY

- (5)
 - (a) The promotion or practice of religion which encompasses acts of worship, witness, teaching and community service based on a belief in a deity.
 - (b) The promotion and/or practice of a belief.
 - (c) The promotion of, or engaging in, philosophical activities.

CULTURAL

- (6)
 - (a) the advancement, promotion or preservation of the arts, culture or customs.
 - (b) the promotion, establishment, protection, preservation or maintenance of areas, collections or buildings of historical or cultural interest, national monuments, national heritage sites, museums, including art galleries, archives and libraries.
 - (c) The provision of youth leadership or development programmes.

CONSERVATION, ENVIRONMENT AND ANIMAL WELFARE

- (7)
 - (a) Engaging in the conservation, rehabilitation or protection of the natural environment, including flora, fauna or the biosphere.
 - (b) The care of animals, including the rehabilitation, or prevention of the ill treatment of animals.
 - (c) The promotion of, and education and training programmes relating to, environmental awareness, greening, clean-up or sustainable development projects.
 - (d) The establishment and management of a Transfrontier area, involving two or more countries, which –
 - (i) is or will fall under a unified or coordinated system of management without compromising national sovereignty; and
 - (ii) has been established with the explicit purpose of supporting the conservation of biological diversity, job creation, free movement of animals and tourists across the international boundaries within the peace park, and the building of peace and understanding between the nations concerned.

RESEARCH AND CONSUMER RIGHTS

- (8)
 - (a) Research including agricultural, economic, educational, industrial, medical, political, social, scientific and technological research.
 - (b) The protection and promotion of consumer rights and the improvement and control and quality with regard to products or services.

SPORT

- (9) The administration, development, coordination or promotion of sport or recreation in which the participants take part on a non-professional basis as a pastime.



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PROVIDING OF FUNDS, ASSETS OR OTHER RESOURCES

(10) The provision of-

- (a) funds, assets, services or other resources by way of donation;
- (b) assets or other resources by way of sale for a consideration not exceeding the direct cost to the organisation providing the assets or resources;
- (c) funds by way of loan at no charge; or
- (d) assets by way of lease for an annual consideration not exceeding the direct cost to the organisation providing the asset divided by the total useful life of the asset, to any-
 - (i) any public benefit organisation which has been approved in terms of section 30;
 - (ii) any institution, board or body contemplated in section 10(1)(cA)(i), which conducts one or more public benefit activities in this part (other than this paragraph);
 - (iii) any association of persons carrying on one or more public benefit activity contemplated in this part (other than this paragraph), in the Republic; or
 - (iv) any department of state or administration in the national or provincial or local sphere of government of the Republic, contemplated in section 10(1)(a) or (b).

GENERAL

- 11. (a) The provision of support services to, or promotion of the common interests of public benefit organisations contemplated in section 30 or institutions, boards or bodies contemplated in section 10(1)(cA)(i), which conduct one or more public benefit activities contemplated in this part.
- (b) The hosting of any international event approved by the Minister for purposes of these regulations, having regard to-
 - (i) the foreign participation in that event; and
 - (ii) the economic impact that event may have on the country as a whole.



DRAFT POLICY TARIFFS POLICY FOR 2013/14

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I. PREAMBLE

In terms of Section 62 (1) of the Municipal Finance Management Act (MFMA) the Accounting Officer of a Municipality is responsible for managing the financial administration of the municipality and, in terms of S62 (1) (f), must for this purpose take all reasonable steps to ensure – “that the municipality has and implements a tariff policy referred to in Section 74 of the Municipal Systems Act” (MSA).

In giving effect to S74 (1) of the Municipal Systems Act, the municipality adopts the following as the tariff policy.

2. DEFINITIONS

- 2.1 “Municipal area” means the area in respect of which the municipality has executive and legislative authority as determined by the constitution and the National legislation and demarcated in terms of the Demarcation Act (Act 27 of 1998);
- 2.2 “Council” refers The Msunduzi Municipality and its successors in law and includes the Council of that municipality or its Executive Committee or any other body acting by virtue of any power delegated to it in terms of legislation, as well as any official to whom the Executive Committee has delegated any powers and duties with regard to this policy;
- 2.3 “Tariff policy” means a policy on, the levying of fees, rates or taxes for the municipal services provided by the municipality itself, which complies with the Municipal Systems Act, 2000.

3. INTRODUCTION

- 3.1 Rates and Tariffs represent the charges levied by Council on owners and consumers for the utilisation of services provided by the Municipality and are raised in order to fund these services. Tariffs are calculated dependent upon the nature of the service being provided. They may be set in such a manner so as to recover the full cost of the service being provided or recover a part of those costs, or to bring about a surplus that can be utilised to subsidise other non-economical services.



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4. OBJECTIVES

The objective of the tariff policy is to ensure that:

- 4.1 The rates and tariffs of the Municipality comply with the legislation prevailing at the time of implementation;
- 4.2 Municipal services are financially sustainable, affordable and equitable;
- 4.3 There is consistency in how the rates and tariffs are applied throughout the municipality;
- 4.4 The needs of the indigent are taken into account; and
- 4.5 The policy is in line with the principles outlined in Municipal Systems Act, 2000 (Act No. 32 of 2000).

5. PRINCIPLES OF THE TARIFF POLICY

The underlying principles, which should at least be taken into account when formulating a tariff policy, are contained in Section 74 (2) of the Municipal Systems Act, 2000 (Act No. 32 of 2000). The following have been taken into account in the development of this policy:

- 5.1 Service tariffs levied by the municipality shall be viewed as user charges and the users of municipal services should be treated equitably when applying these tariffs.
- 5.2 Consumers should pay in proportion to the amount of services consumed, as far as practically possible.
- 5.3 The tariffs for the four major services rendered by the municipality, namely electricity, water, refuse removal and sewerage, are to recover in full or partially, the expenses reasonably associated with the providing of each service concerned, including capital, operating, maintenance, administration, replacement and interest charges.
- 5.4 Tariffs must be set at a level to facilitate financial sustainability of the service, taking into account subsidization from sources other than the service concerned.
- 5.5 The municipality is to ensure that the tariffs levied with regard to the above mentioned services generate an operating surplus where possible having regard to 5.4 above. The surplus is to be applied in relief of property rates and for the financing of a portion of general services or for the future capital expansion of the service concerned, or both.
- 5.6 Provision may be made for the promotion of local economic development through a special rate or tariff for certain or all categories of commercial and industrial users.
- 5.7 The municipality shall develop, implement and at least annually review an indigent support policy for the municipal area. The extent of subsidization of the indigents is to be fully disclosed in terms of the municipality's indigent policy.
- 5.8 The municipality may differentiate between different categories of users and consumers in regard to the tariffs that it levies. Such differentiation shall, however, at all times be reasonable and shall not result in unfair discrimination, and shall be fully disclosed in each annual budget.
- 5.9 The municipality is to ensure that its tariffs shall be easily explainable, and translated into languages which all consumers and users affected by the tariff policy concerned can understand.
- 5.10 The consumption of measurable services, such as electricity and water, shall be properly metered by the municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. The charges levied on consumers shall be proportionate to the quantity of the service that they consume.
- 5.11 A monthly availability charge for a service may be levied by the municipality where the service is available to a consumer and where the consumer does not make use of such service, and these charges shall be fixed for each type of property. For example, consumers of electricity could therefore pay two charges: one which is unrelated to the volume of consumption and is levied because of the availability of the service concerned (i.e. a demand charge); and another which is directly related to the consumption of the service in question.



- 5.12 By adopting this tariff structure, namely a fixed availability charge coupled with a charge based on consumption, the municipality believes that it is properly attending to the demands which future expansion, variable demand cycles and other fluctuations will make on service delivery.
- 5.13 In determining the tariffs for services such as electricity and water, the municipality shall take into account the high capital cost of establishing and expanding such services and the fixed and operating costs of maintaining these services.
- 5.14 In order to comply with legislation and the principles of generally accepted accounting practice, Council has adopted the policy of reflecting all income foregone and rebates as expenditure with the corresponding amount being reflected as revenue. Accordingly in cases where this applies, from a billing perspective the full tariff will be raised and then rebated to reflect the reduced charge.

6. CALCULATION OF TARIFFS FOR MAJOR SERVICES

- 6.1 In terms of Section 75(A) of the Municipal Systems Act Amendment Act 51/2002, a municipality may,
- Levy and recover fees, charges or tariffs in respect of any function or service of the municipality,
 - That such fees, charges or tariffs levied by a resolution passed by the municipal council with a supporting vote of a majority of its members.
 - The proposed fees, charges or tariffs will be presented to the community during Council's consultations.

In order to determine the tariffs that must be charged for the supply of the four major services, the municipality shall take into account all the costs of operation of the services, including the following:

- Cost of bulk purchases in the case of electricity and water.
 - Distribution costs.
 - Distribution losses in the case of electricity and water.
 - Depreciation expenses.
 - Maintenance of infrastructure and other fixed assets.
 - Administration and service costs, including:
 - service charges levied by other departments such as finance, human resources and legal services;
 - reasonable general overheads;
 - adequate contributions to the provisions for bad debts and obsolescence of stock;
 - all other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area.
 - The intended surplus to be generated for the financial year, such surplus to be applied:
 - as an appropriation to capital reserves; and/or
 - generally in relief of rates and general services.
 - The cost of approved indigent relief measures.
- 6.2 With regard to pre-paid meters, the tariff shall be determined based on the cost of provision of the service, as no availability charge is levied on properties where pre-paid meters have been installed.



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7. LEVYING OF RATES

- 7.1 The Municipality shall levy rates on all rateable property within its area, provided that it may, by resolution, grant exemptions from, rebates on or reductions in, rates levied in terms of this policy or in terms of a national framework prescribed under the Act.

DIFFERENTIAL RATES

- 7.2 The Municipality may, by resolution, and in terms of criteria set out in this policy, levy different rates for different categories of rateable property, which may include categories determined according to the use of the property, the permitted use of the property or the geographical area in which the property is situated.

IMPERMISSIBLE DIFFERENTIATION

- 7.3 The Municipality may not levy -

- (a) Different rates on residential properties, except as provided for in sections 11(2) (uniform fixed amount for rates), 21 (phasing in of rates) and 89 (use of existing valuation roll/supplementary roll) of the Act;
- (b) a rate on a category of non-residential properties that exceeds a prescribed ratio to the rate on residential properties determined in terms of section 11 (1)(a) (on the market value of the property) of the Act: Provided that different ratios may be set in respect of different categories of non-residential properties.
- (c) rates which unreasonably discriminate between categories of non-residential properties;
- (d) additional rates except as provided for in section 22 (special rating areas) of the Act.

PROPERTIES USED FOR MULTIPLE PURPOSES

- 7.4 A property used for multiple purposes where there is not a separate category shall, for rates purposes, be assigned to a category determined by the Municipality for properties used for a purpose corresponding to the dominant use of the property.

LEVYING OF PROPERTY RATES ON SECTIONAL TITLE SCHEMES

- 7.5 (1) A rate on property which is subject to a sectional title scheme shall be levied on the individual sectional title units in the scheme and not on the property as a whole.

AMOUNT DUE FOR RATES

- 7.6 (1) The rate levied by the Municipality shall be an amount in the Rand on the market value of the property.
- (2) Furthermore, in the interest of accelerating the provision of basic services to communities, and enhancing the international competitiveness of the South African economy and mobilization of foreign investments and job creation, the Municipality may consider exempting from rating all components of public service infrastructure as defined in the Act.
- (3) The Municipality acknowledges that the Minister may from time to time increase the monetary threshold referred to in section 21, to reflect inflation.

PERIOD FOR WHICH RATES MAY BE LEVIED

- 7.7 (1) The Municipality shall levy rates for one financial year at a time. At the end of each financial year the rate levied for that financial year shall lapse.



- (2) The Municipality shall, annually, at the time of its budget, set the amount in the Rand for rates.
- (3) The levying of rates shall form part of the Municipality's annual budget process as set out in Chapter 4 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

COMMENCEMENT OF RATES

7.8 Rates levied by the Municipality shall become due and payable as from the start of the financial year.

PROMULGATION OF RESOLUTIONS LEVYING RATES

- 7.9
- (1) A rate levied by the Municipality shall be adopted by resolution supported by a majority of the members of the Council.
 - (2) The Municipality shall publish the resolution in the Provincial Gazette.
 - (3) The Municipal Manager shall, without delay, conspicuously display the resolution for a period of at least 30 days at the Municipality's head office and satellite offices and libraries and, if applicable, on a website available to it.
 - (4) In addition, the Municipal Manager shall, without delay, advertise in the media a notice stating that a resolution levying a rate on property has been passed by the Council and that the resolution is available for inspection at the Municipality's head office and satellite offices and libraries during office hours and on the Municipality's website, if applicable.

EXEMPTIONS, REDUCTIONS AND REBATES

- 7.10
- (1) The Municipality shall not grant relief in respect of the payment of rates other than by way of exemption, rebate or reduction, nor shall it grant such relief to the owner of a property on an individual basis.
 - (2) The Municipal Manager shall annually table in the Council of the Municipality a list of all exemptions, rebates and reductions granted by the Municipality during the previous financial year together with a statement reflecting the income foregone by the Municipality by way of exemptions, rebates, reductions, exclusions and the phasing-in discount granted in terms of section 21 of the Act.
 - (3) The Council shall identify, and provide reasons for, exemptions, rebates and reductions when the annual budget is tabled in terms of section 16(2) of the Local Government: Municipal Finance Management Act, 2003.

CATEGORIES OF PROPERTIES FOR EXEMPTIONS, REDUCTIONS AND REBATES

- 7.11 The Council may, by resolution, grant exemptions, reductions and rebates on the following categories of properties -
- (a) residential property;
 - (b) home business property;
 - (c) vacant land;
 - (d) agricultural property;
 - (e) public service infrastructure;
 - (f) rural communal property;
 - (g) impermissible rates property;
 - (h) DSF property;
 - (i) mining property;
 - (j) sectional title garages (separately registered);
 - (k) unauthorised use property
 - (l) other property



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8. ELECTRICITY TARIFFS

8.1 Adjustments to tariffs shall be effective from 1 July each year or as soon as possible thereafter.

8.2 Categories of consumption and charges shall be as follows:

- All electricity consumers shall be billed for their electricity consumption at the tariff applicable to the category in which the particular consumer falls.
- Indigent consumers who qualify in terms of the Indigent Policy will receive 60 kWh electricity free on condition that the MCB is reduced to 20Amp.
- All domestic electricity consumers, with the exception of consumers using prepaid meters, shall additionally be billed a basic availability charge per meter installed per month.
- All commercial, industrial and other non-domestic properties shall additionally be billed a demand charge per meter installed appropriate to their respective levels of consumption.
- The municipality's consumption of electricity shall be charged at the normal tariff rates applicable or alternatively at a special tariff as determined by Council.

9. WATER TARIFFS

9.1 Adjustments to tariffs shall be effective from 1 July each year or as soon as possible thereafter.

9.2 Categories of consumption and charges shall be:

- All domestic consumers shall be charged for actual water consumption at a tariff per kilolitre as determined by the Council from time to time.
- Indigent consumers who qualify in terms of the Indigent Policy will receive 7 kl of water free. The balance of water consumed will be billed at the normal applicable tariff.
- All other consumers, including businesses, industries and institutional consumers shall be charged the relevant applicable tariff per kilolitre, based on the volume of water consumed.
- The municipality's consumption of water shall be charged at the relevant tariff as determined by Council.

10. REFUSE REMOVAL TARIFFS

10.1 Adjustments to tariffs shall be effective from 1 July each year or as soon as possible thereafter.

10.2 Refuse removal charges shall be charged monthly to the consumer according to the category applicable, based on the frequency of the service rendered.

10.3 Domestic indigent consumers will be billed at the indigent tariff.

10.4 The municipality's use of the refuse removal service shall be charged at the relevant tariff applicable to business consumers.

II. SEWERAGE TARIFFS

11.1 Adjustments in tariffs are effective from 1 July each year or as soon as possible thereafter.

11.2 Categories of usage and charges shall be:

- A fixed monthly charge shall be levied for sewerage for domestic users.
- Domestic indigent consumers will be billed at the indigent tariff.
- A charge based on water consumption shall be levied for sewerage to all flats, businesses, industries and institutional users.
- A charge based on water consumption at the relevant tariff applicable to business consumers shall be charged to the municipality for the use of such services.

11.3 Where special purification measures have to be utilized to purify wastewater emanating from factories and other industrial users, an effluent fee is further payable by these users.



12. OTHER TARIFFS

- 12.1 All other tariffs are to be approved by the Council in each annual budget. These tariffs may be subsidised by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot accurately be determined, or when the tariff is designed purely to regulate rather than finance the use of the particular service.
- 12.2 Subsidised services are services for which tariffs are fixed in such a way that at least a portion (as approved by Council) of the cost of providing the service can be recovered. The consumption of these services can be measured and can be apportioned to individual consumers, but, if based on actual cost, would prove to be excessive and unaffordable to the consumer. A user charge is therefore payable for using the service, but the tariff is much lower than the real cost of providing the service.
- 12.3 Community services are those services for which the municipality is unable to accurately determine the consumption or usage and hence apportion to individual consumers e.g. municipal parks and open spaces. Tariffs shall, therefore, not be levied for their use as the cost of providing these services is funded from general rate income.
- 12.4 Economic services are services for which tariffs reflect the full cost of providing the service and the costs are recovered without incurring a surplus or deficit. The consumption can be accurately determined and apportioned to an individual consumer.
- 12.5 Certain other charges and tariffs shall be considered as regulatory or punitive, and shall be determined as appropriate in each annual budget.
- 12.6 With regard to the leasing of municipal properties to the public, market-related rentals shall be levied unless special circumstances apply.

13. BY-LAWS TO GIVE EFFECT TO POLICY

- 13.1 In terms of Section 75 of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the Council of the municipality must adopt by-laws to give effect to the implementation and enforcement of its tariff policy.



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CREDIT CONTROL & DEBT COLLECTION POLICY

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PREAMBLE

WHEREAS Section 152 (1) (b) of the Constitution of the Republic of South Africa Act 108 of 1996 ('the Constitution') provides that one of the objectives of local government is to ensure that the provision of services to communities occurs in a sustainable manner;

AND WHEREAS Section 153 (a) of the Constitution provides that a municipality must structure its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community;

AND WHEREAS Section 195 (1) of the Constitution provides that the public administration must be governed by the democratic values and principles enshrined in the Constitution, including-

- The promotion of the efficient, economic and effective use of resources;
- The provision of services impartially, fairly, equitably and without bias; and
- The fact that people's needs must be responded to.

AND WHEREAS Section 4 (1) (c) of the Local Government: Municipal Systems Act 33 of 2000 ('the Systems Act') provides that the Council of a municipality has the right to finance the affairs of the municipality by charging fees for services, imposing surcharges on fees, rates on property and, to the extent authorized by national legislation, other taxes, levies and duties;



AND WHEREAS Section 5 (1) (g), read with subsection (2) (b), of the Systems Act provides that members of the local community have the right to have access to municipal services which the municipality provides provided that, where applicable and subject to the policy for indigent debtors, pay promptly for services fees, surcharges on fees, other taxes, levies and duties imposed by the municipality;

AND WHEREAS Section 6 (2) (c), (e) and (f) of the Systems Act provides that the administration of a municipality must take measures to prevent corruption; give members of a local community full and accurate information about the level and standard of municipal services that they are entitled to receive; and inform the local community about how the municipality is managed, of the costs involved and the persons in charge;

AND WHEREAS Chapter 9, Sections 95, 96, 97, 98, 99 , 100 and 102, of the Systems Act provides for Customer Care Management, Debt Collection responsibility of the Municipality, contents of the policy, by-laws that give effect to the policy, Supervisory authority and Implementing authority

I. DEFINITIONS

In this policy, unless the context indicates otherwise, the word or expression has the following meaning:

- 1.1 **"Accounting Officer"** The Municipal Manager appointed in terms of Section 82(1)(a) or (b) of the Municipal Structures Act, 1998 (Act No. 117 of 1998);
- 1.2 **"Account Holder"** includes a customer/consumer and refers to any occupier of any premises to which Council has agreed to supply or is actually supplying services, or if there is no occupier, then the owner of the premises and includes any debtor of the municipality;
- 1.3 **"Actual consumption"** means the measured consumption of a consumer of a municipal service during a specified period;
- 1.4 **"Arrangements"** means a formal agreement entered into between the Council and a debtor where specific repayment parameters are agreed to.
- 1.5 **"Arrears"** means any amount due, owing and payable by a customer in respect of a municipal account not paid on the due date;
- 1.6 **"Average consumption"** means the deemed consumption of a customer of a municipal service during a specific period, which consumption is calculated by adding the recorded monthly average consumption and the current actual consumption and dividing the total by 2;
- 1.7 **"Bank guarantee"** refers to an undertaking by a registered financial institution whereby it guarantees a specified maximum amount to be paid if the principal debtor ("the consumer") fails to pay;
- 1.8 **"Calculated amounts"** refers to the amounts calculated by the Chief Financial Officer, in consultation with the relevant technical departments, to be due to the Council by a consumer in respect of the supply of the applicable municipal services for any period during which the exact quantity of the supply cannot be determined accurately for reasons beyond the control of the Chief Financial Officer. This shall normally be based on the average consumption figures, if available, for the service rendered to the customer or, failing the availability of such data, on the average consumption figures applicable to one or more properties of similar size and nature in the area in which the customer resides or carries on business;
- 1.9 **"Chief Financial Officer"** refers to the person so designated in terms of Section 80 (2)(a) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) or any person duly authorized to act on behalf of such person. ;
- 1.10 **"Consolidated account"** refers to one combined account for all municipal services, housing rents and installments, rates and basic charges payable, and "consolidated bill" has a corresponding meaning;
- 1.11 **"C D U"** shall mean the central distribution unit that distributes electricity from a central point to households;
- 1.12 **"Consumption"** means the ordinary use of municipal services, including water, sanitation, refuse removal, and electricity services for all categories of consumers;
- 1.13 **"Electricity and water meters"** means electricity and/or water meters,(including prepaid meters) , which are used to determine the supply of electricity and water and which are normally read on a



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monthly or other fixed interval basis;

- 1.14 **"Council"** refers to The Msunduzi Municipality and its successors in law and includes the Council of that municipality or any other body acting by virtue of any power delegated to it in terms of legislation, as well as any official to whom the Executive Committee who has delegated any powers and duties with regard to this policy;
- 1.15 **"Councillor"** refers to any member of a Municipal Council
- 1.16 **"Deposit"** refers to a minimum sum of money specified by the Chief Financial Officer and payable by the consumer to the Municipality prior to occupation of the property or prior to the date on which services to the property are required;
- 1.17 **"Final date"** in the absence of any express agreement in relation thereto between the Council and the customer, refers to the date stipulated on the account and determined from time to time as the last date on which the account must be paid;
- 1.18 **"Final Demand"** means a notice sent to an account holder calling for settlement of any municipal debt that has not been paid by due date and where legal action may be taken after giving due consideration to the notice period specified in the notice.
- 1.19 **"Estimated consumption"** arises when no actual reading can be taken and is equivalent to the existing average consumption providing that this is done in accordance with the relevant provisions of the water and electricity bylaws.
- 1.20 **"Financial year"** refers to the period starting from 1 July in a year to 30 June the next year;
- 1.21 **"Interest"** is a charge levied and calculated at a rate determined by law.
- 1.22 **"MCB"** means Mini Circuit Breaker
- 1.23 **"Meter audits"** refers to a verification by the municipality of the correctness of the consumption and supply of electricity and water;
- 1.24 **"Municipality"** Means :
An organ of state within the local sphere of government exercising legislative and executive authority within an area determined in terms of the local government: Municipal Demarcation Act, 1998.
- 1.25 **"Municipal Manager"** is the head of administration and also the accounting officer of the municipality .
- 1.26 **"Municipal services"** means a service that a municipality in terms of its powers and functions provides or may provide to or for the benefit of the local community irrespective of whether:
 - (a) Such a service is provided, or to be provided, by the municipality through an internal mechanism contemplated in section 76 of the MSA or by engaging an external mechanism contemplated in section 76 of the MSA
Such a service is provided, or to be provided by the municipality
- 1.27 **"Official"**, in relation to a municipality or municipal entity, means,
 - (a) An employee of a municipality or municipal entity
 - (b) A person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
 - (c) A person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee
- 1.28 **"Occupier"** in relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property,
- 1.29 **"Owner"** means
 - (a) In relation to property referred to in paragraph (a) of the definition of "property, means a person in whose name ownership of the property is registered;
 - (b) In relation to a right referred to in paragraph (b) of the definition of "property", means a person in whose name the right is registered;



- (c) In relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) In relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:
 - (i) A trustee in the case of a property in a trust excluding state trust land;
 - (ii) An executor or administrator, in the case of a property in a deceased estate;
 - (iii) A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
 - (iv) A judicial manager, in the case of a property in the estate of a person under judicial management;
 - (v) A curator, in the case of a property in the estate of a person under curatorship;
 - (vi) A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
 - (vii) A lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
 - (viii) A buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;
 - (ix) Legal occupiers of State Trust Land.

1.30 “Property” means-

- (a) Immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- (b) A right registered against immovable property in the name of a person, excluding a mortgage bond registered against a property;
- (c) A land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- (d) Public service infrastructure;

1.31 “Rate” means a municipal rate on property envisaged in section 229 (1)(a) of the Constitution;

1.32 “Service agreement” refers to a written agreement for the consumption of electricity and/or water and other services.

1.33 “Variable flow-restricting device” refers to a device that is coupled to the water connection that allows the water supply to be restricted or closed;

1.34 “Visitation fee” refers to the fee charged for attendance and/or disconnection/reconnection of an electricity/water supply when the supply is been disconnected/reconnected due to non-payment and/or tampering, or where access to disconnect/restrict has not been gained, which fee shall be determined from time to time by the Council;

1.35 “Garnishee order/emoluments order” refers to a court order for the deduction of an amount of money from the salary or other income of a customer.

1.36 “Municipal Pay-Point” shall mean all Municipal Cash Offices and third party vendors who are authorized to collect monies on behalf of Municipality ”.



MSUNDUZI ANNUAL BUDGET

2. INTRODUCTION

- 2.1 The Municipality cannot develop the local economy and provide acceptable services to its residents unless it receives payment, in full, of all bills raised for the services that it provides.
- 2.2 The Municipality must develop, maintain and implement a credit control and debt collection policy that is consistent and complies with the relevant legislation.
- 2.3 This policy is to be read in conjunction with or other relevant legislation, policies and bylaws, (including the Register of Tariffs and Charges).

3. OBJECTIVES

The objectives of the Credit Control and Debt Collection Policy are:

- 3.1 To define a framework which enables the municipality to bill for and collect its revenues. ;
- 3.2 To ensure that all monies due and payable to the municipality are collected and used to deliver municipal services in the best interests of the community, residents and ratepayers and in a financially sustainable manner as prescribed by the Municipal Systems Act, 2000 (Act No. 32 of 2000), and other applicable legislation;
- 3.3 To maintain and implement a credit control and debt collection policy, which is consistent and complies with Section 97 of the Municipal Systems Act, 2000 (Act No. 32 of 2000).
- 3.4 To ensure that the municipality develops debt collection and credit control procedures and mechanisms that are considered to be consistent, fair and effective to all its consumers.

4. UNDERLYING PRINCIPLES OF THIS POLICY

- 4.1 The administrative integrity of the municipality must be maintained at all times. The Executive Committee must exercise supervisory authority in terms of the Municipal Systems Act: Section 99(a)(i).
- 4.2 This policy shall take effect and be enforceable from the date of publication of the Credit Control By-Laws.
- 4.3 The collection process must be cost-effective and enforcement of payment for services rendered must be prompt, consistent and effective.
- 4.4 Any fraudulent activity in connection with the provision of municipal services will lead to disconnections and/or restrictions, penalties, loss of rights and criminal prosecutions.

5. ROLES AND RESPONSIBILITIES OF THE MUNICIPAL MANAGER

- 5.1 In terms of Section 100 of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the Municipal Manager is responsible for implementing the credit control and debt collection policy.

6. AREA OF APPLICATION

- 6.1 This policy shall apply through the entire area of jurisdiction of the Msunduzi Municipality. And in signing an agreement, the customer acknowledges that should he fall into arrears, the Municipality may implement such credit control measures as it deems necessary.

7. APPLICATION FOR SERVICES AND SERVICE AGREEMENTS

- 7.1 Only the owner shall enter into a service agreement for the provision of services. However, in the event that the owner is not resident within the municipal area, he may sign a power of attorney which permits some other person to act on his behalf for the purposes of entering into a service agreement.



- 7.2 Directors of companies, members of Close Corporation and Trustees of Trust shall sign personal surety ships with the Municipality when opening services accounts.
- 7.3 A new Service Agreement will only be entered into in respect of a property, once all outstanding accounts owed in respect of the property are settled in full.
- 7.4 Where the owner has failed to enter into an agreement for the provision of services; the owner responsible for the payment of rates on the property will be billed for the consumption of all municipal service charges applicable to the property.
- 7.5 Application forms are available at the municipal offices and the application process must occur at least ten (10) working days prior to taking occupation of the premises. This will ensure that services are available when occupation is taken. Failure to adhere to the timeframe may result in customers not having the services available when occupation is taken. Once the application has been approved, a service agreement will be entered into and services will commence.
- 7.6 The Municipality will render the first account after the first meter reading cycle following the date of signing the service agreement or as soon as is administratively possible.
- 7.7 Occupier who illegally consumes services without a valid service agreement will be subject to disconnection and/or removal of the service and may be prosecuted.
- 7.8 The service agreement shall set out the conditions under which the services are provided and shall require the signatories thereto to agree to abide by the provisions of the Municipalities credit control policy and Bylaws.
- 7.9 The owner of the property shall be jointly and severally liable with the consumer in respect of all amounts due for the municipal services provided to the property.

8. DEPOSITS AND GUARANTEES

- 8.1 On application for the provision of municipal services, before the municipality renders any service to the property, deposits are payable on all new services. .
- 8.2 No interest will accrue on any deposit.

9. ACCESS TO PROPERTY TO READ METERS

- 9.1 If the municipality is unable to read any meter on any property because the meter has been rendered inaccessible, the municipality shall estimate the consumption of the service concerned and thereafter bill the consumer for the monetary value of such estimated consumption.
- 9.2 In the event that the Council continues to be unsuccessful in obtaining access to the property or meter for a period of 3 months and, therefore, is unable to obtain an accurate meter reading, the Chief Financial Officer or his authorized representative may disconnect the supply.
- 9.4 Readings provided by consumers are subject to the following:
 - 9.4.1 Readings will be permitted provided the municipality obtains any final reading should the consumer move to another supply address.
 - 9.4.2 Consumers may be liable for a fee to cover the costs of obtaining a reading if no advance warning is given and special arrangements are required to obtain a reading.
 - 9.4.3 An audit reading during the normal reading cycles must be obtained at least once every 6 months. If a special audit reading becomes necessary this will be done at the cost of the consumer.
 - 9.4.4 The consumer may supply voluntary readings subject to compliance with this policy and By-laws. The Chief Financial Officer may, however, cancel this option if the consumer fails to render readings on two or more consecutive occasions.



MSUNDUZI ANNUAL BUDGET

10. ACCOUNTS, BILLING AND PAYMENT

- 10.1 The Council shall provide the consumer with a monthly bill for rates, services or any other charges.
- 10.2 The Municipality shall furnish the consolidated account to the consumer address, in South Africa, as specified by each consumer in the services agreement. However, non-receipt of an account does not negate the responsibility of the customer to pay the amount owing by final date nor prevent interest charges and debt collection procedures. In the event of non-receipt of an account, the onus rests on the account holder to obtain a free copy of the most recent account, before the final date.
- 10.3 The account holder shall notify the Municipality in writing of any change of address, including an e-mail address, and contact details.
- 10.4 Accounts must be paid in full on or the final date as indicated on the account
Failure to comply with this section shall result in credit control measures being instituted against the consumer. Interest on capital arrears will accrue after final date if the account remains unpaid.
- 10.5 Only bank guaranteed and attorney trust cheques will be accepted at the Municipality's head office and no 3rd party agencies can accept cheques;

11. INTEREST ON ARREARS AND OTHER PENALTY CHARGES

- 11.1 Interest shall be charged on all arrear capital amounts for a full month, irrespective of when payment is made.
- 11.2 The Municipality will be entitled to raise the following charges in addition to the interest charge contemplated in clause 11.1
 - 11.2.1 In the case of arrear rates, a collection charge equal to 10% will be raised sixty (60) days after the date of final installment on the capital amount in arrears.
 - 11.2.2 Charges for disconnection or reconnection of electrical services
 - 11.2.3 Charges for restriction or removal of water services
 - 11.2.4 Charges for reconnection or reinstatement of water services
 - 11.2.5 Charges for notices of default and other correspondence
 - 11.2.6 Surcharge penalty charges for illegal reconnections
 - 11.2.7 Penalty charges for dishonored cheques

12. AGREEMENTS AND ARRANGEMENTS FOR PAYMENT OF ARREAR ACCOUNTS

- 12.1 The Municipality is authorized to enter into agreements with account holders in arrears with their accounts and to grant account holders extensions of time for settlement of the amounts due to Council.
- 12.2 Where an account holder in arrears, is a business or commercial concern, a minimum of 50% of the total overdue amount and the current amount due, as an initial payment, shall be paid, and the balance of the account shall be paid in equal installments over a maximum period of six months.
Upon written application by an account holder the maximum repayment period may be extended and the minimum amount due reviewed at the discretion of the Municipal Council subject to the supply of the previous years audited financial statements, six months bank statements, valid tax clearance certificate and any other documentation deemed relevant.
Any future monthly current accounts shall be paid on or before the final dates for the month in question. In respect of business or commercial account holder who are in arrears.
- 12.3 Where a customer in arrears is a domestic consumer, 10% of the total overdue balance and the current amount due, as an initial payment, and the balance of the account shall be paid in equal installments over a maximum period of twelve months.
Upon written application by an account holder the repayment period may be extended to a maximum of thirty six (36) months and a percentage lower than the above 10% may be permitted at the discretion of the Municipal Council, subject to the supply of three months bank statements and any other documentation deemed relevant.



Any application with a repayment period greater than thirty six (36) months will be referred to the Municipal Council.

- 12.4 Should an account holder breach the arrangement in any way, the balance of the arrear account, together with the balance of interest outstanding on the account, shall immediately become due and payable to the municipality.
- 12.5 A customer who fails to comply with any credit arrangement shall not be permitted to enter into any further arrangement or extension of time for payment and shall have his services terminated, however a customer who brings his credit arrangement up to date by an immediate payment shall have his services reconnected as soon as is practically possible.
- 12.6 An account holder who fails to comply with any arrangement of debt shall have the electricity credit meter or prepaid meter removed, the water service restricted.
- 12.7 Only debtors with positive proof of identity or an authorized agent with a Power of Attorney shall be permitted to enter into an Acknowledgment of Debt agreement with the Council.
- 12.8 Where a debtor is a close corporation, trust, or a company, the person who signs an acknowledgment of debt on behalf of such close corporation, trust or company, shall produce written proof that he is authorized to sign such acknowledgment on behalf of all members and/or directors of the close corporation, trust, or the company.
- 12.9 Any account holder who makes an arrangement in terms of 12.2 or 12.3 shall ensure that the owner completes a waiver in terms of section 118 (i) of the Systems Act (Act 32 of 2000).

13 ALLOCATION OF PAYMENTS AND PART-PAYMENTS

- 13.1 Receipt of the total outstanding monies will be allocated to the credit of the account in full.
 - 13.1.1 If a debtor pays only part of any amount due, the Municipal Council shall allocate such payment in the following order:
 - 13.1.2 to any unpaid property rates;
 - 13.1.3 to any unpaid interest raised on the account;
 - 13.1.4 to any other sundry debtors (miscellaneous);
 - 13.1.5 to housing rents and installments;
 - 13.1.6 to any unpaid refuse collection charges;
 - 13.1.7 to any unpaid sewerage charges;
 - 13.1.8 to any unpaid water charges;
 - 13.1.9 to any other unpaid charges and
 - 13.1.10 to any other unpaid electricity charges

14 QUERIES IN RESPECT OF ACCOUNTS

- 14.1 A customer who has lodged an enquiry is not relieved of the responsibility to maintain regular payment on his account. In the event of an account holder providing reasonable grounds as a basis for a query on any item or items on the monthly municipal account, no action shall be taken against the account holder provided the accountholder has paid, by due date, an amount equal to the monthly average of the three most recent undisputed accounts in respect of the service in dispute, as well as all undisputed balances on such account.
- 14.2 When an enquiry has been investigated and responded to, the entire amount becomes payable.

15 DISCONNECTIONS/RESTRICTIONS OF SERVICES

- 15.1 The Council is obliged to issue any final request notices or other reminders to customers whose accounts are in arrears, prior to disconnection in terms of the Promotion of Administrative Justice Act, 2000 (Act No.3 of 2000) in so far as possible.
- 15.2 The consolidated account, if in arrears for 30 days or more, shall reflect a warning message.



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- 15.3 In the event that full payment of the consolidated account, including any accumulated arrears, is not received on or before due date, the electricity supply and thereafter the water supply shall be disconnected/restricted, unless a formal acknowledgement of debt has been signed by the customer and the necessary arrangement for an extension of payment has been approved by the Municipal Council.
- 15.4 Even though a customer may have concluded satisfactory credit arrangements, the Council is not obliged to effect a reconnection of services on the day that payment is received or the agreement has been signed but shall do so as soon as possible after such arrangement have been approved by the Municipal Council.
- 15.5 Where a customer's services are disconnected/ reconnected, the customer shall be charged a visitation fee, as determined by the council from time to time, which shall be paid prior to services being reconnected.
- 15.6 Where a customer or owner's account is in arrears and no credit arrangement for the settlement of any outstanding debt has been entered into, and, whether the services to the property have been disconnected / restricted or not, the Council may, regardless of whether the service agreement is terminated or not, implement the procedures for debt collection as set out in Section 23 of this policy, if such action is deemed by the Chief Financial Officer to be in the best interests of the Council.
- 15.7 Should the termination of services, in respect of an arrear account result in the endangerment of the life of any person, the Municipal Council may appropriately restrict rather than terminate the services in question.

16 RECONNECTION/REINSTATEMENT OF TERMINATED/RESTRICTED SERVICES

- 16.1 Services which have been terminated or restricted shall be reconnected or reinstated by the municipality only when all the following conditions have been met:
 - (a) The arrear account has been paid in full, including the interest raised on such account; Or an acceptable arrangement has been entered into with the municipality for the payment of the arrear account, including the interest raised on such account; Or a query, as contemplated in Section 19, has been resolved and arrangements for payment as approved by the Municipal Council have been concluded;
 - (b) A revised service agreement has been entered into or an existing one reinstated with the municipality, as contemplated in Section 10 of this policy; and
 - (c) A cash deposit, as determined by the Municipal Council in terms of Section 11, has been paid to the municipality.
- 16.2 Where consumers using prepaid meters have arrear amounts in respect of other rates and/or services rendered by the municipality the Council may allocate a proportionate amount as determined by the Municipal Council, of any future prepaid purchases to arrear amounts until such time as the arrears have been brought up to date.

17 PERIOD FOR RECONNECTION OR REINSTATEMENT

- 17.1 The municipality shall endeavor to reconnect or reinstate terminated or restricted services within 3 (three) working days after the date on which the conditions set out in Section 21 of this policy have been met, unless unable to do so because of circumstances beyond the control of the municipality.

18 PROCEDURE FOR DEBT COLLECTION

Where consumer accounts are in arrears, the Municipal Council is authorized to institute any action available in law for the purposes of recovering such debt, including making application to a competent court of law for the issuing of garnishee/ emoluments orders.



- 18.1 The Municipal Council may issue a final demand for all amounts in arrears.
- 18.2 The Municipal Council may withhold payment to suppliers whose accounts are in arrears in terms of the Supply Chain Management policy.
- 18.3 The Accounting Officer may direct the Chief Building Inspector to withhold/ reject the approval of building plans relating to improvements on properties if there are arrears on that property.
- 18.4 Arrear rates, service charges and other charges may be recovered from tenants/occupiers and or agents by attaching the rentals as set out in Sections 28 and 29 of the Municipal Property Rates Act no 6 of 2004 and in terms of Section 104 (f)(iii) of the Municipal Systems Act 32 Of 2000.
- 18.5 Where consumers using prepaid meters have arrear amounts in respect of rates and/or services rendered by the municipality the Council may remove the prepaid metered supply and a new application for a prepaid supply will be required. Council reserves the right to refuse a prepaid supply in instances of arrears.
- 18.6 The Municipal Council may publish the names of account holders, persons or entities with outstanding debt.

19. RECOVERY OF OVERDUE RATES

- 19.1 In terms of the Municipal Finance Management Act the municipality shall take all necessary measures to recover all rates due and payable to the municipality.
- 19.2 A letter of demand shall be sent to the owner if the account is 60 days or more in arrears.
- 19.3 The municipality shall terminate the services to the property if the owner fails to respond to the letter of demand, regardless of whether the owner is the occupier on the property.
- 19.4 The municipality may publish a list of all rates defaulters who have failed to pay within 60 days after the final instalment of the rates assessment calling on the ratepayer to settle the arrears within a specified time frame, failing which an application will be made to a court of competent jurisdiction for an order for the sale by public auction
- 19.5 If the rates remain unpaid in terms of 19.4 above, the municipality shall make application to a court of competent jurisdiction showing the amount of rates, penalties and surcharges then in arrear, and that all notices have been given and requesting the court to order any such rateable property be sold by public auction and the proceeds thereof to be paid in to court, and to direct payment to the Municipality of all rates and penalties accrued in respect of the date of such sale together with the costs of obtaining the said order and all expenses of such sale.
- 19.6 If before the sale of any rateable property in terms of an order made under subsection (19.5) there is produced to the Deputy Sheriff or other person charged with the sale thereof, a certificate by the Municipality that all amounts owing in terms of outstanding and arrear rates and penalty charges have been paid, the said property shall be withdrawn from the sale.
- 19.7 Notwithstanding that all outstanding and arrear rates penalty charges may have been paid before the said sale, the Municipality shall not be liable to any person for any loss or damage suffered by such person by reason of the sale of any such property in respect of which no such certificate has been produced to the said Deputy Sheriff or other person.

20. TAMPERING WITH AND/OR THEFT OF SERVICES

- 20.1 With regard to electricity and water services, if tampering of any nature or theft of such services are identified, the electricity supply to the property may be discontinued by the removal of the meter and the cable and the water supply may be restricted and/or discontinued.
- 20.2 Water and electricity metering and connection equipment remain the property of the municipality and anyone involved in instances of tampering, damaging or theft thereof will be liable for criminal prosecution.
- 20.3 If the restricted water supply is tampered with or any variable flow-restricting device removed, the water supply will be discontinued, the service connected removed.
- 20.4 All required outstanding amounts shall be paid in full, or a payment arrangement is entered into; before any reconnection.



MSUNDUZI ANNUAL BUDGET

- 20.5 An amount equal to an average of three months normal consumption in the case of water or electricity will be levied on the account in the interim for the unmetered period and is either payable or payment arrangement is entered into, before the service is reinstated.

21. AUDIT OF SERVICES ON PROPERTIES

When the services supplied by Council to a property are subjected to an audit the following rules should be applied subject to confirmation and supply of relevant written documentation from the relevant technical department:

- 21.1 If the MCB size on the property meter differs from the MCB size raised on the consolidated bill then the following applies:
- 21.1.1 The difference in AMPS to be raised, backdated 36 months or from the date of application (maximum 36 months)
 - 21.1.2 If the electricity consumption indicates that usage is far less than the actual MCB on the property then the AMP back charge should be reversed and the consumer will be required to re-apply for an MCB change to the original MCB size required.
 - 21.1.3 Where the usage indicates a correlation to the incorrect MCB then the back charge should be limited to 12 months because the correct internal administration/technical procedures were not complied with. Where necessary, a load demand test will be performed by a registered private electrician at the consumers cost, to confirm the existing demand.
 - 21.1.4 If a subsequent request for an increase in MCB is done after the above all back charges will be reinstated.
- 21.2 If an actual meter reading is raised on the consolidated bill and is greater or less than the reading held on the billing system, the required consumption must be adjusted and the consumer, if required, be given an extended repayment period equal to the period of the back charge, but limited to 36 months. (Refer also to 12.4)
- 21.3 Faulty or stopped meters will be replaced at Councils cost. Actual readings will be recorded over a three month period on the new meter and the average of this three month period will be used to determine a charge based on a maximum period of 36 months. Any consumption charges raised during this period will be offset against the revised charge.
- 21.4 Back charges of 36 months will be raised in respect of meters that have been tampered with for the following reasons:
- 21.4.1 Broken seals in order to tamper with the bridge screw
 - 21.4.2 Bridge wire illegally connected
 - 21.4.3 Illegal bypassing of meter and of MCB
 - 21.4.4 Direct connection to main supply including CDU
 - 21.4.5 Direct connection to another consumer
 - 21.4.6 Meter tampered with or MCB rating has been scratched off
 - 21.4.7 Any other illegal activity not covered above
- 21.5 If a consumer is conducting a home business on a domestic property where daily rates are charged for accommodation or the property is no longer used for domestic purposes and used solely for business purposes then business tariffs must be applied for services. A letter of consent from the Town Planning Section or proof of rezoning for business purposes must be produced by the account holder upon application for services. If domestic tariffs have been applied in error and the account holder can produce a letter of consent or proof of rezoning then business tariffs will be applied from the beginning of the Councils financial year in which the error is detected. If no letter of consent or proof of rezoning can be produced then business tariffs must be applied for a maximum of 36 months or from date of application for services.



22. WATER LEAKS

Where a water leak has occurred on a property the relevant by-laws will be applied. (water by-laws to be attached)

23. COMMUNIATION OF POLICY TO ACCOUNT HOLDERS

23. 1 A copy of the policy will be posted on the municipality's website and hardcopies will be displayed at all municipal offices and service center.

24. BY-LAWS TO BE ADOPTED

24. 1 By- laws shall be adopted to give effect to the Council's Credit Control and Debt Collection Policy.
24.2 The by-laws are to comply with the requirements of the Municipal Systems Act, 2000 (Act No. 32 of 2000), the Water Services Act, 1997 (Act No. 108 of 1997), the Electricity Act, 1987 (Act No. 41 of 1987) and the Municipal Finance Act, 2003 (Act No. 56 of 2003).

25. ENFORCEMENT OF OTHER LEGISLATION

- 25.1 In addition to the Credit Control and Debt Collection provisions contained in This policy and the published by-laws relating hereto, the Council may enforce any other rights or exercise any power conferred upon it by the Municipality Systems Act, 2000 (No. 32 of 2000), the Water Services Act, 1997 (Act No.108 of 1997), the Property Rates Act, 2004(Act No.6 of 2004) And the Municipal Finance Management Act, 2003(Act No. 56 of 2003) and any Other applicable legislation.



MSUNDUZI ANNUAL BUDGET

INDIGENT POLICY FINANCIAL YEAR 2013/2014

PREAMBLE

Whereas section 96 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipality to adopt, maintain and implement a credit control, debt collection and customer care policy;

And whereas section 97 of the Systems Act prescribes that such policy must provide for "Provision for indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents."

Now therefore the Municipal Council of the Municipality of Msunduzi adopts the Indigent Policy as set out in this document:-

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DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:-

"authorised representative"	The person or instance legally appointed by the Council to act or to fulfill a duty on its behalf.
Life Line Service	The amount or level of any municipal service that is necessary to ensure human dignity and a reasonable quality of life and which, if not provided, could endanger public health or safety of the environment and for the purposes of this Policy are restricted to electricity, refuse, sewerage and water services. It is also to be understood that the national norms will be used as guidelines for the determination of the amount/level of the services.
"Chief Financial Officer"	An officer of the Municipality appointed as the Head of the Finance Department and includes any person:- a. acting in such position; and B. to whom the Chief Financial Officer has delegated a power, function or duty in respective of such a delegated power, function or duty.
"Council" or "municipal council"	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Msunduzi
"customer"	Any occupier of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property (including registered indigent household).
"defaulter"	A person who owes money to in respect of a municipal account after the due date for payment has expired.
"Child Headed Household"	This includes all persons who are jointly living on a stand or site on a permanent basis and who receive water and/or electricity from one meter. A household where both parents are deceased and where all occupants of property are children of the deceased and are all under the legal age to contract for service and are considered as minors in law by the State. Child headed households are automatically considered indigent unless proven otherwise.
"Indigent"	Lacking the necessities of life such as sufficient water, basic sanitation, refuse removal, environmental health, basic energy, health care, housing, food and clothing. This is a household which, due to a number of factors as set out in par. 2, is not financially capable of paying for the delivery of Basic Services – including poor households.
"interest"	A levy with the same legal priority as service fees and calculated on all amounts in arrears in respect of assessment rates and service levies at a standard rate as approved by Council.
"municipal account" or "billing"	The proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of the account, specifying charges levied by the Municipality, or any authorised and contracted service provider, in the format of, but not limited to.
"Municipality"	The institution that is responsible for the collection of funds and the provision of services to the customers of the council.
"the Act"	The Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) as amended from time to time.



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I. INTRODUCTION

Council receives a grant from Government to subsidize those who cannot afford to pay for the minimum needs in life. The objective in calculating the amount to be subsidized, must be to prevent an increasing balance on the account of an indigent as it will be difficult to recover the debt in a humanly way.

According to the Municipal Systems Act 2000, Section 74(3) and 75(2) stipulates, "A tariff policy may differentiate between different categories of users/debtors."

Furthermore Chapter 7 Section 152 (b) of the constitution states:

"The objectives of Local Government are:

- 1.1. To ensure the provision of services to communities in a sustainable manner.
- 1.2. Local Government should strive within its financial and administrative capacity to achieve this object and to deliver other related services as to cater for indigents and how they have to be catered for.
- 1.3. Indigents are those people, property owners, due to a number of factors, who are unable to make monitory contributions towards basic services, no matter how small the amounts seem to be.
- 1.4. Household earnings less than the amount stated by the Financial Fiscal Commission from time to time, qualify to be registered as an indigent i.e. Pensioners, students, unemployed, disabled persons and single parents etc.

2. Criteria for the approval as Indigent are as follows:

- 2.1. That the gross household income for qualification as a registered Indigent be R3,200.00.
- 2.2. That residents who want to apply as Indigent should do so through the Debt Collection Section, Finance Department.
- 2.3. That the prescribed application forms be used.
- 2.4. Those applicants must be issued with reference numbers.
- 2.5. That an Indigent application registration be valid for up to one (1) year where after subsidies/rebates will terminate.
- 2.6. That the Indigent reapply for assistance during the ninth (9th) month of Indigence and a revaluation/ reassessment be done
- 2.7. Both successful and unsuccessful applicants will be informed in writing.
- 2.8. Those Indigent customers are compelled to inform Council about any change of their indigent status.
- 2.9. That the outstanding balance on the account of an approved Indigent will be dealt with under the existing credit control policy.
- 2.10. That approved Indigents be subsidized according to the annual proposal of the Financial and Fiscal Commission recommendations which are revised annually taking into consideration the proposed grants as contained in equitable share formula.
- 2.11. That registered Indigent consumers be held responsible for any consumption over and above the assistance indicated in (10) above, or that a restrictive measurement be put in place.
- 2.12. That consumption is suspended / restricted to Indigents who fail to pay for services consumed over and above the subsidized amount.
- 2.13. That no legal action will be instituted / conducted against applicants.
- 2.14. That if a person supplies fraudulent information such a person will not be considered as Indigent at any stage afterwards.



2. 15. That child headed households, where the conditions for services and rates meet the qualification criteria, and the household is declared indigent, the household will receive the applicable indigent concessions.

The consolidated account may continue in the name of the deceased parent/s until the estate is transferred to the heirs of the estate. In the case where the executor of the estate is appointed and has jurisdiction over the minor children, the executor would be required to make provision for payments of the consolidated account.

2. 16. The widow or widower also is able to apply for indigency for the period that the estate has not finalized, during which the account may continue in the deceased account holder's name.
It must be noted that an indigent only receive the credit for the service that is rendered.

3. OBJECTIVES OF POLICY

The objectives of this Policy are to:-

- 3.1. The objective of this policy is an attempt to close the gap between those who are indigent and other citizens of Msunduzi Municipality, through the targeted assistance with free allocations of electricity, water and other services, together with broader based access to housing, community services, employment initiatives and basic healthcare.
- 3.2. This objective should ensure that all citizens of Msunduzi Municipality are able to participate in the community, and are not barred through their indigent status.
- 3.3. The long term objective is to move those who are indigent away from the need for free basic services and other support measures into a more positive developmental role as rate paying citizens of the community.
 - 3.3.1. Provide a framework within which the Municipality can exercise its executive and legislative authority with regard to the implementation of financial aid to indigent and poor households in respect of their municipal account;
 - 3.3.2. Determine the criteria for qualification of indigent and poor households;
 - 3.3.3. Ensure that the criteria is applied correctly and fairly to all applicants;
 - 3.3.4. Allow the Municipality to conduct in loco visits to the premises of applicants to verify the actual status of the household;
 - 3.3.5. Allow the Municipality to maintain and publish the register of names and addresses of account holders receiving subsidies.

4. KEY PRINCIPLES OF POLICY

The municipality promotes the following principles:

- 4.1. To ensure that the Equitable Share received annually will be utilized for the benefit of the poor only and not to subsidize rates and services charges of those who can afford to pay.
- 4.2. To link this policy with the IDP, local economic development initiatives and poverty alleviation programmes and other relevant Council policies.
- 4.3. To promote an integrated approach to free basic service delivery and other social services provided by the Municipality.
- 4.4. To engage the community in the development and implementation of this policy

The guiding principles used for targeting the indigent are:

- 4.5. Equity: the subsidy promotes both horizontal equity (people are treated equally across the municipality in the way tariffs influence their access to services) and vertically (groups with greater ability to pay should pay more)



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- 4.6 Efficiency: incentives are provided for efficient delivery and allocation of services.
- 4.7 Environmental sustainability: tariffs and subsidies promote the delivery of services in an environmentally sustainable manner.
- 4.8 Financial viability: subsidies must be affordable.
- 4.9 Promotion of local economic development: tariffs and subsidies should work to enhance the impact on local economic development.
- 4.10. Ability to implement: the policies chosen are straightforward to implement
- 4.11. The administrative integrity of the Municipality must be maintained at all costs. The councilors are responsible for the approval of policy, while it is the responsibility of the Municipal Manager to ensure the execution of this policy;
- 4.12. Applicants must complete an official application form, which is to be submitted together with the supporting documents as specified in this policy, when applicable.
- 4.13. Officials designated to control and manage these documents must be able to explain the contents thereof in Zulu and English.
- 4.14. The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.

5. QUALIFYING CRITERIA

5.1. CRITERIA FOR APPLIED INDIGENT STATUS

To qualify for "Applied Indigent status", a household must comply with all the following criteria:-

- 5.1.1. The total household income may not R3200 per month;
- 5.1.2. The average monthly consumption of electricity by the household over the previous 12 months may not exceed 550Kwh
- 5.1.3. The average monthly consumption of water by the household over the previous 12 months may not exceed 11.2kl;
- OR: A flow restriction will be installed immediately and flow will be limited to a maximum of 11, 2 kl per month;
- 5.1.4. Must be a permanent resident of Msunduzi;
- 5.1.5. Must be a South African citizen;
- 5.1.6. The applicant may not be the registered owner of more than one property.
- 5.1.7. The householder must be a resident of, and have a registered account with the Municipality, except that the requirement of being registered as an account holder does not apply to households in informal settlements where no accounts are rendered, nor in rural areas where no accounts are rendered.
- 5.1.8. Recognised refugees must be South African citizens (with ID card) or have recognised refugee status (proof of status needed).
- 5.1.9. A tenant or occupier as described in Council Credit Control Policy can apply for the benefits in respect of the charges is billed for while the landlord remains liable for all ownership related charges such as rates.

5.2. CRITERIA FOR AUTOMATIC INDIGENT STATUS

To qualify for Automatic Indigent status, a household must comply with the following criteria:-

- 1.2.1. The total property value must be less than or equal to R100 000;
- 1.2.2. The average monthly consumption of electricity per household per month may not exceed 550kWh;
- 1.2.3. The average monthly consumption of water per month may not exceed 11,2 kl
- 1.2.4. Must be a permanent resident of Msunduzi;
- 1.2.5. Must be a South African citizen;



1.2.6. The applicant may not be the registered owner of more than one property

6. SUBSIDY

The subsidies below will be funded from the “equitable share” contribution received from National Treasury, plus an amount from the Municipality’s own income as budgeted for in the financial year in question. The subsidies will only be granted to qualifying households to the extent that the above mentioned funds are available for allocation.

Where the municipal account exist, the subsidy amount allocated will be calculated and rounded off to the nearest lower

R1, and will be credited into the consumer’s municipal account every month and be indicated as such on the account.

Service levels:

- 6.1.1. 100% of the basic levy and MCB Charge for electricity for one service point per month;
- 6.1.2. 100% of the basic levy for water one service point per month ;
- 6.1.3. 100% of the basic levy for sewerage per month for one service point;
- 6.1.4. 100% of 1 X vacuum tanker service, per annum;
- 6.1.5. 100% of the basic levy for refuse removal for one service point per month;
- 6.1.6. 60 kWh of electricity;
- 6.1.7. 7 kl of water;
- 6.1.8. 4,2 kl for sanitation.

6.1. Property rates

Each registered indigent household shall be subsidized for property rates as provided for in the annual budget as approved by Council.

6.2. Indigent households in retirement centres / Orphanages/ Disability centres

Indigent consumers living in retirement centres / orphanages / and disability centers shall be eligible to qualify for assistance and support in terms of this policy, subject to the following rules and procedures:

The onus will be upon the board of trustees / managing agent / chairperson of the retirement centre to apply to the municipality for indigent status to be granted in respect of water consumption on behalf of the owners of those units who meet the criteria and conditions for qualification.

The onus will be upon the unit owner to apply to the municipality for indigent status to be granted in respect of property rates and service charges. The representative of the retirement centre will submit applications to the Municipality.

The Credit Control Unit must verify all applications and must notify:

- 1. The representative of the retirement centre whether an application was successful or not with regard to water consumption and
- 2. The unit owner whether an application was successful or not with regard to property rates and other related charges

7. PROCESS MANAGEMENT

7.1 Validity period

The validity period for assistance will be for a maximum period of 12 months. Existing indigent customers must re - apply before the end of April each year to renew their indigent status. Notification to this effect will be advertised annually and ward councilors to cascade the information to their wards for the renewal and new applications in their wards.



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7.2. Death of registered applicant

In the event that the approved applicant passes away, the heirs of the property must re-apply for indigent support provided that the stipulated criteria are met.

7.3. Publication of register of indigent households

Names of indigent beneficiaries must be open for public perusal and comment.

Written objections from the public must be referred to the Municipality who will be responsible for investigating the validity of the complaint and for taking appropriate action.

7.4. Excess usage of allocation

If the level of consumption of the indigent household exceeds the total package as approved by the Municipality, from month to month or exceeds the monthly charges raised on the indigents account; the household will be obliged to pay for the excess consumption on a monthly basis. Such accounts will be subject to the Municipality's credit control and debt collection measures.

7.5. Termination of indigent support

Indigent support will be terminated under the following circumstances:

7.5.1. Death of the account holder.

7.5.2. End of the 12 month cycle, except for those in receipt of old age social and disability grants.

7.5.3. Upon change of ownership of the property in respect of which support is granted.

7.5.4. When circumstances in the indigent household have improved in terms of gross income threshold as prescribed by Council.

7.5.5. If the applicant is found to have lied about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply:

7.5.5.1. All arrears will become payable immediately

7.5.5.2. Credit control measures will apply and

7.5.5.3. The applicant will not be eligible to apply for indigent support for a period of two years.

8. Audit and Review

The Municipality may conduct regular audits of the indigent register with regard to:

8.1. The information furnished by applicants,

8.2. Possible changes in status,

8.3. The usage of allocations and debt collection measures applied and

8.4. Where necessary review the status of applicants.

The frequency of such audits will be one year depending on the institutional capacity of the Municipality to do so.

Monthly targeted audits and reviews must be undertaken, with a complete review scheduled for at least every 5 years.

9. Exit programme

Members of households registered as indigent must be prepared to participate in poverty alleviation programs coordinated by the Municipality in collaboration with other government departments and the private sector.

As part of its poverty reduction programme, the Municipality undertakes to provide for the participation and accommodation of indigent persons in its local economic development initiatives and in the implementation of integrated development programmes where possible.



10. Monitoring and reporting

The Chief Financial Officer shall report Quarterly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to Council and other interested parties. Such report shall reflect on;

- 10.1.1. Number of indigent households who applied and were approved
- 10.1.2. Time taken to process and finalise applications
- 10.1.2. Site visits undertaken
- 10.1.3. Amount of subsidy allocated per service category
- 10.1.4. Amount of debt accumulating and debt recovery information, ideally divided into wards, domestic, state, institutional and other such divisions
- 10.1.5. Performance of all areas against targets set in the municipality's performance management system
- 10.1.6. Changes in the registered status of indigents
- 10.1.7. Awareness initiatives
- 10.1.8. Exit initiatives

11. Appeals

Any aggrieved person who was not successful in the application to be regarded as an indigent, may lodge an appeal to the Municipality within a period of 14 days from the date on which the aforesaid decision was communicated to the applicant.

12. Capacity building

The municipality must ensure that all officials, councilors and ward committees are appropriately capacitated in terms of the following key areas:

- 12.1. Database management
- 12.2. Demand and revenue management
- 12.3. Policy and by-law implementation

8. ASSISTANCE PROCEDURES APPLICABLE TO THIS POLICY

8.1. Communication

The municipality will develop a communications strategy in terms of which communities will be informed and educated in order to have a clear understanding of this policy, its implementation and limitations. Regular information dissemination regarding this policy through ward committees, community based organisations and face to face contact will be undertaken.

Council will also embark on programs or campaigns to inform or identify households that are indigent, in order to register them on the Municipality's database, so that they can access the benefits and support in terms of this

Policy as well as the poverty alleviation programs.

8.2 Communities

Communities have a role to play as well. It is the responsibility of the community to inform their municipality of faulty systems, provision problems and abuses or misuse of the services. Communities should also make sure that facilities are maintained, are in good condition, and are being used appropriately. Members of the community should monitor responsible use and prevent misuse, e.g. illegal connections and help to distribute information to their neighbours. The community can take the initiative to make the municipality aware of their service delivery needs.



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8.3 Application / Registration

A person applying for assistance must complete a formal indigent support application form approved by the Municipality and must meet the qualification criteria as stipulated in this policy.

The following items as applicable must accompany the application:-

The latest municipal account of the household;

- 8.3.1. Proof of the account holder's identity;
- 8.3.2. Proof of income of the account holder (e.g. a letter from his/her employer, salary slip/envelope, copy of birth certificate (if minor) pension card, unemployment insurance fund (UIF) card, or a certificate to confirm registration as a job-seeker);
- 8.3.3. Proof of medical condition when requiring additional water and electricity over and above allocated quota.
- 8.3.4. Proof of ownership of property
- 8.3.5. Marriage certificate if married, and copy of spouse's ID
- 8.3.6. Death certificate if account holder is deceased
- 8.3.7. Sworn affidavit if unemployed

The application form is recorded and applicant issued with a card or acknowledgement of receipt of application form.

Official checks that application is recommended and signed by relevant Ward Councillor.

Inspectors are sent to the household to verify status of applicant.

Incorrect or incomplete forms are returned to the applicant for rectification/completion.

The application is accepted and signed by the Head of the Revenue.

The final decision is communicated in writing to the applicant

Should the account holder be unable to apply in person, due to medical reasons, his/her application may be certified by a commissioner of oaths, or community leader.

The applicant must complete the sworn statement that forms part of the application form.

NB: Failure to do so will render the application invalid.

8.4. Approved applications

All applications that meet the prescribed qualification criteria are then processed on the financial system.

A copy of the approved application is sent to the credit control section for the applicant to be flagged as Indigent in the prepayment system. This ensures that the applicant gets his/her monthly free issue and receive indigent benefits the total monthly subsidy applicable on service charges will be reflected on the monthly statement of account after approval.

9. PUBLICATION OF NAMES OF QUALIFYING APPLICANTS

The applicant must grant permission for the Municipality to publish his/her name and address on a list of account holders receiving subsidies in terms of this policy and be submitted to credit authorities

Any person may inspect or scrutinize the list at a Customer Care Office and inform/notify the Municipality of any person who, according to their true circumstances, should not be in receipt of a subsidy as envisaged in this policy.



10. FALSE INFORMATION

A person who provides false information will be suspended for two years and be refused further participation in the subsidy scheme during that period. In addition, he/she will be held liable for the immediate repayment of any subsidies already granted and legal action, civil or criminal may be instituted against the guilty party (ies).

11. LOCAL AUDIT (VERIFICATION)

The Municipality reserves the right to send officials and/or representatives of the Municipality to the household or site of the applicant(s) at any reasonable time, with the aim of carrying out a local verification of the accuracy of the information provided by the applicant(s).

Such audit will be conducted on a continuous basis.

12. CURRENT AMOUNTS IN ARREARS

Applicants, whose municipal accounts show arrear amounts at the time of the application for a subsidy will be treated in terms of the provisions of credit policy of the council regarding their status as indigent,

13. REGISTER

The Municipality will complete a register of households that qualify as "indigent". The register will be updated annually with exception of the application received under exceptional circumstances and reconciled with the relevant subsidy account in the general ledger on a monthly basis.



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APPROVED DEBT WRITE-OFF POLICY

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I. DEFINITIONS

In this policy, unless the context indicates otherwise, the word or expression has the following meaning:

- 1.1. **“Accounting Officer”** The Municipal Manager appointed in terms of Section 82(1)(a) or (b) of the Municipal Structures Act, 1998 (Act No. 117 of 1998);
- 1.2. **“Account Holder”** includes a customer/consumer and refers to any occupier of any premises to which Council has agreed to supply or is actually supplying services, or if there is no occupier, then the owner of the premises and includes any debtor of the municipality;
- 1.3. **“Arrangements”** means a formal agreement entered into between the Council and a debtor where specific repayment parameters are agreed to.
- 1.4. **“Arrears”** means any amount due, owing and payable by a customer in respect of a municipal account not paid on the due date;
- 1.5. **“Chief Financial Officer”** refers to the person so designated in terms of Section 75(2)(a) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) or any person duly authorised to act on behalf of such person and shall have the same meaning as Strategic Executive Manager: Finance;
- 1.6. **“Council”** refers to The Msunduzi Municipality and its successors in law and includes the Council of that municipality or its Executive Committee or any other body acting by virtue of any power delegated to it in terms of legislation, as well as any official to whom the Executive Committee has delegated any powers and duties with regard to this policy;
- 1.7. **“Credit Control”** refers to all functions relating to the collection of monies owed by customers and users of municipal services.
- 1.8. **“Financial year”** refers to the period starting from 1 July in a year to 30 June the next year;
- 1.9. **“Interest”** is a charge levied and calculated at a rate determined by law from time to time on all arrear amounts owing;
- 1.10. **“Municipality”** when referred to as:
 - (a) a corporate body, means a municipality as described in Section 2 of the Municipal Systems Act, 2000 (Act No. 32 of 2000);
 - (b) a geographic area means a municipal area determined in terms of the Local Government Municipal Demarcation Act, 1998 (Act No. 27 of 1998).
- 1.11 **“Municipal Manager”** means the person appointed as Municipal Manager in terms of Section 82 of the Local Government Municipal Structures Act, 1998, (Act No. 117 of 1998) and includes any person acting in that position or to whom authority has been delegated;
- 1.13 **“Official”** refers to an employee of The Msunduzi Municipality



1.14 “Owner” means

- (a) In relation to property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;
- (b) In relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;
- (c) In relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) In relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:
 - (i) A trustee in the case of a property in a trust excluding state trust land;
 - (ii) An executor or administrator, in the case of a property in a deceased estate;
 - (iii) A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
 - (iv) A judicial manager, in the case of a property in the estate of a person under judicial management;
 - (v) A curator, in the case of a property in the estate of a person under curatorship;
 - (vi) A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
 - (vii) A lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
 - (viii) A buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

2. INTRODUCTION

- 2.1. To ensure that household consumers with no or lower income are not denied a reasonable service and that the Municipality is not financially burdened with non-payment of services, Msunduzi Municipality does have an approved Indigent Policy.
- 2.2. However, the Council is faced with a significant amount of outstanding debt and the continuous defaulting by certain consumers who can afford to pay for services. To deal with this, the Council also approved a revised Credit Control and Debt Collection Policy.
- 2.3. Despite strict enforcement of the above policies, Council will continuously be confronted by circumstances requiring the possible write-off of irrecoverable debt.

3. PURPOSE OF THE POLICY

- 3.1 The purpose of this policy is to provide a framework for regulating the writing-off of irrecoverable debt and the consequent further enhancement of the municipality's debt management strategy.



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4. POLICY PRINCIPLES

4.1 The following are the guiding principles in implementing the Policy on Writing Off of Irrecoverable Debt:-

- 4.1.1. The policy has been compiled in accordance with the Local Government Municipal Finance Management Act (MFMA), 2003, Local Government Municipal Systems Act (MSA), 2000, as amended and other related legislation.
- 4.1.2. Before any debt is written off it must be proved that the debt has become irrecoverable. To ensure that recommendations for write off are consistent and accurate, irrecoverable debt will be defined as debt where:
 - The tracing of the debtors is unsuccessful; and
 - All reasonable steps were taken by the officials to recover the debt.
- 4.1.3. Bad debt write offs must be considered in terms of cost benefit; when it becomes too costly to recover and the chances of collecting the debt are remote, a write off should be considered.
- 4.1.4. Time value of money is very important because the older the debt becomes, the more difficult and costly it becomes to collect. It is therefore imperative that a proper system of credit control is implemented and maintained to avoid debt reaching the stage of becoming too expensive to recover.
- 4.1.5. Differentiation must be made between those household consumers who cannot afford to pay for basic services and those who just do not want to pay for these services.
- 4.1.6. Debt can only be written off if the required provision exists in the Municipality's budget and/or reserves.

5. CATEGORIES OF DEBTORS THAT MAY QUALIFY FOR THE WRITING OFF OF IRRECOVERABLE DEBT

5.1 Approved Indigent Household Consumers in terms of the Municipality's Indigent Policy

- 5.1.1. Upon approval for registration as an indigent household consumer, the debtor's outstanding balance as at the date of approval should be written off.
- 5.1.2. Any new arrears accumulated by the debtor (i.e. any amounts in excess of the indigent allowance for free basic services) whilst registered as an indigent consumer, will not qualify to be written off and must be dealt with strictly in accordance with the Municipality's Credit Control and Debt Collection Policy.

5.2 Balances on final accounts too small to recover considering the cost for recovery

- 5.2.1. Where final accounts have been submitted and paid by the respective consumer and the remaining balance after finalisation of any final readings and other administrative costs results in a balance of one hundred rand (R100) or less, such account must be forwarded once to the consumer for payment.
- 5.2.2. Where such account is not paid by the respective consumer within a period of sixty (60) days such amounts will automatically be written off.

5.3 Insolvency of the Debtor and Insolvent Deceased Estates

- 5.3.1. Where a debtor becomes insolvent the Municipality must ensure that a creditor's claim is timeously registered. Any amount not being recovered due to insufficient funds or if there is a risk of a contribution being made to an insolvent estate must, after notification, be written off.



- 5.3.2. In case of death of the debtor a creditor's claim must be timeously registered against the deceased's estate. Any amount not being recovered due to insufficient funds or if there is a risk of a contribution being made to a deceased estate must, after notification, be written off.

5.4 Untraceable Debtors

- 5.4.1. Where for any reason the forward address of a debtor becomes untraceable or the debtor becomes untraceable from the current address, such account must be handed over to the legal panel for recovery of the debt. Should a debtor be untraceable, the legal panel must report to the Municipality on the actions that were taken to attempt to trace the debtor.
- 5.4.2. Any amount owed by a debtor that has become untraceable must, after notification, be written off.
- 5.4.3. Debt written off in the above instances must automatically result in the debtor being reported to the credit bureau by the Municipality.

5.5 Special Arrangements in order to obtain a Clearance Certificate

- 5.5.1. In terms of legislation the Municipality will under normal circumstances not issue a clearance certificate on any property unless all outstanding amounts are paid to date. However due to the possible inefficiency of the Municipality to implement its credit control policy it might be possible that such a property may have accumulated such a significant outstanding balance over a period of time that it may not be within the ability of the new owner to pay such an amount in order to obtain a clearance certificate.
- 5.5.2. Where such circumstances may prevail the prospective new owner may apply to the Municipality for relief of such outstanding debt or a portion thereof.
- 5.5.3. Upon receiving, such application must be submitted to the Municipal Manager for consideration. In reviewing such application, the Municipal Manager must ensure that:-
- All reasonable measures have already been taken to recover the outstanding amount from the current debtor.
 - The prospective buyer of the property is not in a financial position to settle the outstanding amount before a clearance certificate is issued.
 - It is not in the interest of the Municipality and/ or the community to withhold a clearance certificate before the outstanding debt is fully paid.

6. DELEGATIONS FOR DEBT WRITE - OFF

- 6.1. The recommended delegated levels for write off are as follows:

- 6.1.1. Revenue Manager - Account balance up to R5,000 in consultation with the Chief Financial Officer
- 6.1.2. Chief Financial Officer - Account balance up to R30,000 in consultation with the municipal manager
- 6.1.3. Account balance that is R30,000+ must be approved by Council

7. GENERAL PROVISIONS RELATING TO DEBT WRITE-OFF

- 7.1. Not less often than every quarter during the municipality's financial year, the Accounting Officer shall submit a report to the Council on debts to be written-off.
- 7.2. A debt shall not be regarded as written-off until the Council has so resolved.



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7.3. Prior to writing-off a debt and after consideration of the report and recommendation of the Accounting Officer in terms of this policy, the Council must be satisfied that:

- 7.3.1. The municipality has exhausted all means of debt recovery provided for in its Credit Control and Debt Collection Policy;
- 7.3.2. The recovery of the debt in question has been pursued diligently and completely;
- 7.3.3. No other reasonably possible and practical means of recovering the debt exists.

7.4. The Council must in its budget make provision for doubtful debts.

7.5. In writing-off a debt, the municipality does not abandon its claim and all amounts recovered in reduction of a debt subsequently to its writing-off shall be recorded in the books of the municipality as income.

8. DETAIL OF DEBT TO BE WRITTEN OFF

8.1. The following information needs to be provided for each debt to the officer / member who will authorize the write offs:

- Debtor's name,
- Debtor's address,
- Debtor's account,
- Methods taken to collect the debt,
- Reason(s) why the debt is uncollectable,
- Description of debt,
- Period of the debt and / or date(s) of invoice,
- Amount to be written off,
- Reason for the write off.

8.2. Supporting documentation must be retained and available that shows:

- Evidence to support the write off,
- Recovery history,
- Details of tracing and enquires carried out,

8.3. In considering a debt for write off the following conditions will apply:

- Each case will be considered on its merits,
- Each request will be supported by relevant documentation,
- Each case will receive authorization from the appropriate authorized officer and / or member in accordance with the policy.
- Appropriate records of all authorized write offs will be maintained.

9. RECOVERY OF IRRECOVERABLE DEBTS

9.1. Should there be a payment in respect of the account which has already been written off, such monies must be allocated to the specific vote number designed for the recovery of irrecoverable debts.

10. IMPLEMENTATION AND REVIEW OF THIS POLICY

10.1. This policy shall be implemented once approved by Council. All future submissions for the writing off of debt must be considered in accordance with this policy.

10.2. In terms of section 17 (1) (e) of the MFMA this policy must be reviewed on annual basis and the reviewed policy tabled to Council for approval as part of the budget process.

2013/14 to 2015/16



MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY

Council resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the following proposal as the Supply Chain Management Policy of the Msunduzi Municipality.

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I. Definitions

1. In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

“competitive bidding process” means a competitive bidding process referred to in paragraph 12 (1) (d) of this Policy;

“competitive bid” means a bid in terms of a competitive bidding process;

“Emergency” referred to in subparagraph 36(1) (a) (i) of this policy means a deviation that is based on it being an emergency case that is reasonable/justifiable based on evidence that:

- Immediate action is necessary in order to avoid a dangerous or risky situation or misery;
- The time available would make it impossible/ impractical to go through a bidding process;
- The deviation is not as a result of the need for procurement being identified/agreed upon/ budgeted/planned in the past but not attended to timeously and
- The deviation is not as a result of improper planning

“final award”, in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

“formal written price quotation” means quotations referred to in paragraph 12 (1) (c) of this Policy;

“GCC” means General Conditions of Contract

“in the service of the state” means to be –



- (a) a member of –
- (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the National Assembly or the National Council of Provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature;

“JBCC” means a principal building agreement issued by the Joint Building Contracts Committee

“long term contract” means a contract with a duration period exceeding one year;

“list of accredited prospective providers” means the list of accredited prospective providers which the municipality must keep in terms of paragraph 14 of this policy;

“other applicable legislation” means any other legislation applicable to municipal supply chain management, including –

- (a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- (b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); and
- (c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);

“Single provider” referred to in subparagraph 36(1) (a) (ii) of this policy means a deviation that is based on it being an sole supplier/provider case that is reasonable/justifiable based on evidence that:

- A thorough analysis of the market was done and
- Where required, a transparent and equitable pre-selection process.

“Treasury guidelines” means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

“the Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“the Regulations” means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 34350 of 2011;

“Urgency” referred to in subparagraph 22(1)(b)(2) of this policy means a deviation that is based on it being an urgency case that is reasonable/justifiable based on evidence that:

- The early delivery of the goods/services is of critical importance;
- The time available would make it impossible/ impractical to go through a bidding process;
- The deviation is not as a result of the need for procurement being identified/agreed upon/ budgeted/planned in the past but not attended to timeously and
- The deviation is not as a result of improper planning

“written or verbal quotations” means quotations referred to in paragraph 12(1)(b) of this Policy.



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CHAPTER I IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. Supply chain management policy

- (1) All officials and other role players in the supply chain management system of the municipality must implement this Policy in a way that –
 - (a) gives effect to –
 - (i) section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
 - (b) is fair, equitable, transparent, competitive and cost effective;
 - (c) complies with –
 - (i) the Regulations; and
 - (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
 - (d) is consistent with other applicable legislation;
 - (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
 - (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- (2) This Policy applies when the Msunduzi Municipality–
 - (a) procures goods or services;
 - (b) disposes goods no longer needed;
 - (c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies,
 - (d) selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.
- (4) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –
 - (a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
 - (b) electricity from Eskom or another public entity, another municipality or a municipal entity.

3. Amendment of the supply chain management policy

- (1) The accounting officer must –
 - (a) at least annually review the implementation of this Policy; and
 - (b) when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to the council



- (2) If the accounting officer submits proposed amendments to the council that differs from the model policy issued by the National Treasury, the accounting officer must –
 - (a) ensure that such proposed amendments comply with the Regulations; and
 - (b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.
- (3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.
- (4) In cases where council adopt special programs to achieve set policy objectives and where the special programs impacts on the mechanism of supply chain the accounting officer must:
 - (1) Prepare a report setting out the arrangements for the project
Show the impact on supply chain management

4. Delegation of supply chain management powers and duties

- (1) The council hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –
 - (a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –
 - (i) Chapter 8 or 10 of the Act; and
 - (ii) this Policy;
 - (b) to maximise administrative and operational efficiency in the implementation of this Policy;
 - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
 - (d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Sections 79 and 106 of the Act apply to the sub delegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).
- (3) The accounting officer may not sub delegate any supply chain management powers or duties to a person who is not an official of the Msunduzi Municipality or to a committee which is not exclusively composed of officials of the Msunduzi Municipality
- (4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

5. Sub delegations

- (1) The accounting officer may in terms of section 79 or 106 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such sub delegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy.



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- (2) The power to make a final award –
 - (a) above R10 million (VAT included) may not be sub delegated by the accounting officer;
 - (b) above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub delegated but only to –
 - (i) the chief financial officer;
 - (ii) a senior manager; or
 - (iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member;
 - (c) not exceeding R2 million (VAT included) may be sub delegated but only to –
 - (i) the chief financial officer;
 - (ii) a senior manager;
 - (iii) a manager directly accountable to the chief financial officer or a senior manager; or
 - (iv) a bid adjudication committee.
- (3) An official or bid adjudication committee to which the power to make final awards has been sub delegated in accordance with subparagraph (2) must within five days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including–
 - (a) the amount of the award;
 - (b) the name of the person to whom the award was made; and
 - (c) the reason why the award was made to that person.
- (4) A written report referred to in subparagraph (3) must be submitted –
 - (a) to the accounting officer, in the case of an award by –
 - (i) the chief financial officer;
 - (ii) a senior manager; or
 - (iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or
 - (b) to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by –
 - (i) a manager referred to in subparagraph (2)(c)(iii); or
 - (ii) a bid adjudication committee of which the chief financial officer or a senior manager is not a member.
- (5) Subparagraphs (3) and (4) of this policy do not apply to procurements out of petty cash.
- (6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.
- (7) No supply chain management decision-making powers may be delegated to an advisor or consultant.



6. Oversight role of council

- (1) The council reserves its right to maintain oversight over the implementation of this Policy.
- (2) For the purposes of such oversight the accounting officer must –
 - (i) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
 - (ii) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the council.
- (3) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Mayor.
- (4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

7. Supply chain management unit

- (1) A supply chain management unit is hereby established to implement this Policy.
- (2) The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

8. Training of supply chain management officials

The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training.

CHAPTER 2 SUPPLY CHAIN MANAGEMENT SYSTEM

9. Format of supply chain management system

- (1) This Policy provides systems for –
 - (i) demand management;
 - (ii) acquisition management;
 - (iii) logistics management;
 - (iv) disposal management;
 - (v) risk management; and
 - (vi) performance management.

Part I: Demand management

10. System of demand management

- (1) The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the Msunduzi Municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.



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(2) The demand management system must –

- (a) include timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
- (b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature,
- (c) provide for the compilation of the required specifications to ensure that its needs are met; and
- (d) take into account an analysis of the past spending.
- (e) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

Part 2: Acquisition management

II. System of acquisition management

(1) The accounting officer must implement the system of acquisition management set out in this Part in order to ensure –

- (a) that goods and services are procured by the Msunduzi Municipality in accordance with authorised processes only;
- (b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
- (c) that the threshold values for the different procurement processes are complied with;
- (d) that the approval of the thresholds for supply chain officials are set and reviewed annually;
- (e) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation; and
- (f) that any Treasury guidelines on acquisition management are properly taken into account.

(2) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must make public the fact that such goods or services are procured otherwise than through the municipality's supply chain management system, including -

- (a) the kind of goods or services; and
- (b) the name of the supplier.

I2. Range of procurement processes

(1) Goods and services may only be procured by way of –

- (a) petty cash purchases, up to a transaction value of R2 000 (VAT included);
- (b) written or verbal quotations for procurements of a transaction value over R2 000 up to R10 000 (VAT included);
- (c) formal written price quotations for procurements of a transaction value over R10 000 up to R200 000 (VAT included); and
- (d) a competitive bidding process for–
 - (i) procurements above a transaction value of R200 000 (VAT included); and
 - (ii) the procurement of long term contracts.



- (2) The accounting officer may, in writing-
 - (a) lower, but not increase, the different threshold values specified in subparagraph (1); or
 - (b) direct that –
 - (i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2 000;
 - (ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R10 000; or
 - (iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000.
- (3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

13. General preconditions for consideration of written quotations or bids

- (1) A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –
 - (a) has furnished that provider's –
 - (i) full name;
 - (ii) identification number or company or other registration number; and
 - (iii) tax reference number and VAT registration number, if any;
 - (b) has authorised the municipality to obtain a tax clearance from the South African Revenue Services that the provider's tax matters are in order; and
 - (c) has indicated –
 - (i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
 - (ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
 - (iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

14. Lists of accredited prospective providers

- (1) The accounting officer must –
 - (a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and
 - (b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
 - (c) specify the listing criteria for accredited prospective providers; and



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- (d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- (2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
- (3) The list must be compiled per commodity and per type of service.

15. Petty cash purchases

- (1) The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 12 (1) (a) of this Policy, are as follows –
 - (a) verbal quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the Msunduzi Municipality, provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1)(b) and (c) of this policy;
 - (b) If it is not possible to obtain at least three verbal quotations the reason must be recorded and reported quarterly to the Chief Financial Officer or another official designated by the accounting officer;
 - (c) the names of and prices quoted by the potential suppliers must be recorded and the order must only be placed against a written confirmation from the selected supplier
 - (d) the Chief Financial officer must set the maximum number of petty cash purchases or the maximum amounts per month for each manager and these numbers or amounts must be reviewed each month by the accounting officer;
 - (e) the manager reporting directly to the Chief Financial Officer may delegate responsibility for the petty cash in writing to an official reporting directly to him; and
 - (f) a monthly petty cash reconciliation report from each manager must be provided to the chief financial officer, including –
 - (i) the total amount of petty cash purchases for that month; and
 - (ii) receipts and appropriate documents for each purchase.
- (e) the accounting officer must review the monthly petty cash reconciliation regularly

16. Written or verbal quotations

- (1) The conditions for the procurement of goods or services through written or verbal quotations, are as follows:
 - (a) Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the list of accredited prospective providers of the municipality, provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;
 - (b) to the extent feasible, providers must be requested to submit such quotations in writing;
 - (c) if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer;
 - (d) the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and



- (e) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.
- (f) a schedule of the accredited prospective providers of the municipality from whom the quotations were requested and the date of request must be kept and reviewed regularly by the Accounting officer against the overall list of the accredited prospective providers on the database to ensure that rotation of prospective suppliers is being done.

17. Formal written price quotations

- (1) The conditions for the procurement of goods or services through formal written price quotations, are as follows:
 - (a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality;
 - (b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 14(1)(b) and (c) of this Policy;
 - (c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Head: Supply Chain Management or an official designated by the chief financial officer, and
 - (d) a schedule of the accredited prospective providers of the municipality from whom the quotations were requested and the date of request must be kept and reviewed regularly by the Accounting officer against the overall list of the accredited prospective providers on the database to ensure that rotation of prospective suppliers is being done
- (2) A designated official referred to in subparagraph (1) (c) must within three days of the end of each month report to the Chief Financial Officer on any approvals given during that month by that official in terms of that subparagraph.

18. Procedures for procuring goods or services through written or verbal quotations and formal written price quotations

- (1) The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations, is as follows:
 - (a) when using the list of accredited prospective providers the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
 - (b) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the municipality;
 - (c) offers received must be evaluated on a comparative basis taking into account unconditional discounts;
 - (d) the accounting officer or chief financial officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub delegation;
 - (e) offers below R30 000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;
 - (f) acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest points;



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- (g) all contracts awarded by the Msunduzi Municipality must be recorded in a contracts register of the municipality detailing at least (i) the name of the selected provider (ii) the date of the award (iii) the duration of the contract (iv) retention percentage if applicable (v) Surety and or penalty amount

19. Competitive bids

- (1) Goods or services above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.
- (2) No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

20. Process for competitive bidding

- (1) The procedures for the following stages of a competitive bidding process are as follows:
 - (a) Compilation of bidding documentation as detailed in paragraph 21;
 - (b) Public invitation of bids as detailed in paragraph 22;
 - (c) Site meetings or briefing sessions as detailed in paragraph 22;
 - (d) Handling of bids submitted in response to public invitation as detailed in paragraph 23;
 - (e) Evaluation of bids as detailed in paragraph 28;
 - (f) Award of contracts as detailed in paragraph 29;
 - (g) Administration of contracts
 - (i) After approval of a bid, the accounting officer and the bidder must enter into a written agreement.
 - (h) Proper record keeping
 - (i) Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.

21. Bid documentation for competitive bids

- (1) The criteria to which bid documentation for a competitive bidding process must comply, must –
 - (a) take into account –
 - (i) the general conditions of contract and any special conditions of contract, if specified;
 - (ii) any Treasury guidelines on bid documentation; and
 - (iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
 - (b) include the preference points system to be used , goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
 - (c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;



- (d) if the value of the transaction is expected to exceed R10 million (VAT included) may only be awarded to the preferred bidder after the Chief Financial Officer has verified in writing that the budgetary provision exists for the acquisition of the goods, infrastructure projects and or services and that is consistent with the integrated Development Plan, the bidders are required to furnish–
 - (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –
 - (aa) for the past three years; or
 - (bb) since their establishment if established during the past three years;
 - (ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
 - (iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;
 - (iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
- (e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.
- (f) all bids must be submitted in writing on the prescribed bid documentation in a sealed marked envelope and must be deposited by the bidders themselves or their appointed representatives into the designated bid box by no later than the date and time stipulated in the bid documentation.
- (g) The Msunduzi Municipality may disqualify any offer or bid submitted for the following reasons:
 - (i) the bidder failed to comply with all submission requirements as stated in the tender document;
 - (ii) the entity or one of its directors are listed on National Treasury's database as a person prohibited from doing business with the public sector;
 - (iii) there are outstanding municipal rates and taxes or service charges from any municipality by the entity or any of its directors that are in arrears for longer than 3 months unless credit arrangements have been made in terms of council policies;
 - (iv) the entity has failed to perform satisfactory on previous contracts with any municipality or other organ of the state, after that entity was given written notice that performance was unsatisfactory;
 - (v) any of the directors committed a corrupt or fraudulent act in competing for a particular contract or in the execution of a contract;
 - (vi) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of a contract that benefited the entity or any of its directors;
 - (vii) the entity or any its directors abused the supply chain management system or committed any improper conduct in relation to such system;
 - (viii) any director has been convicted for fraud or corruption during the last 5 years;
 - (ix) the entity or any of its directors has willfully neglected, reneged on or failed to comply with any government municipal or other public sector contract during the last 5 years;
 - (x) the entity or any of its directors has misrepresented facts or information in the ten-



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- (xi) the entity or any of its directors has submitted two tender documents (from the same company) unless the other tender document is an alternative offer;
 - (xii) any persons whose tax matters have not been declared as being in order by the South African Revenue Services for awards in excess of R30 000 incl Vat;
 - (xiii) the entity or any of its directors has failed to submit with the bid documentation, an original, valid tax clearance certificate
 - (xiv) the accounting officer or designated committee must ensure that the municipal rates and taxes or municipal charges owed by the preferred bidder or any of its directors to the municipality or municipal entity are not in arrears for more than three months.
- (h) The Msunduzi Municipality may give preference to local suppliers and/or service providers
- (i) The Msunduzi Municipality may reject all bids if and when deemed necessary i.e. when there is a lack of effective competition or bids are not substantially responsive.

22. Public invitation for competitive bids

(1) The procedure for the invitation of competitive bids, is as follows:

- (a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and
 - (b) the information contained in a public advertisement, must include –
 - (i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy;
 - (ii) a statement that bids may only be submitted on the bid documentation provided by the municipality; and
 - (iii) date, time and venue of any proposed site meetings or briefing sessions.;
- (2) The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.
- (3) Bids submitted must be sealed.
- (4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

23. Procedure for handling, opening and recording of bids

(1) The procedures for the handling, opening and recording of bids, are as follows:

- (a) Bids–
 - (i) must be opened only in public;
 - (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
 - (iii) received after the closing time should not be considered and returned unopened immediately.



- (b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;
- (c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
- (d) The accounting officer must –
 - (i) record in a register all bids received in time;
 - (ii) make the register available for public inspection; and
 - (iii) publish the entries in the register and the bid results on the website in terms of section 75 of the MFMA, the reference number of the bid, the description of the goods, services or infrastructure projects, names of all bidders, the B-BBEE status level of contribution of all bidders, the aforementioned information should be published in 10 working days after closure of the bid.

24. Negotiations with preferred bidders

- (1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
 - (a) does not allow any preferred bidder a second or unfair opportunity;
 - (b) is not to the detriment of any other bidder; and
 - (c) does not lead to a higher price than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes.

25. Two-stage bidding process

- (1) A two-stage bidding process is allowed for –
 - (a) large complex projects;
 - (b) projects where it may be undesirable to prepare complete detailed technical specifications; or
 - (c) long term projects with a duration period exceeding three years;
 - (d) projects where evaluation of bids is based on functionality as a criterion
 - (e) projects where evaluation of bids is based on a stipulated minimum threshold for local production and content
- (2) In the first stage:
 - (a) projects referred to in subparagraphs (1)(a) to (c), technical proposals or bids on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments;
 - (b) projects referred to in subparagraphs (1) (d), proposals or bids must be invited and evaluated in terms of the functionality evaluation criteria embodied in the bid documents
 - (c) projects referred to in subparagraphs (1) (e), proposals or bids must be evaluated in terms of the stipulated minimum threshold for local production and content.
- (4) In the second stage:
 - (a) Projects referred to in subparagraphs (1) (a) to (c), final technical proposals and priced bids should be invited.



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- (b) Projects referred to in subparagraphs (1) (d) to (e), only proposals or bids that achieve the minimum qualifying score/percentage for functionality and minimum stipulated threshold for local production and content respectively must be evaluated further in accordance with the 80/20 or 90/10 preference point systems prescribed in Preferential Procurement Regulations 5 and 6.

26. Committee system for competitive bids

- (1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the accounting officer may determine:
 - (a) a bid specification committee;
 - (b) a bid evaluation committee; and
 - (c) a bid adjudication committee;
- (2) The accounting officer appoints the members of each committee, taking into account section 117 of the Act; and
- (3) A neutral or independent observer, appointed by the accounting officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
- (4) The committee system must be consistent with –
 - (a) paragraph 27, 28 and 29 of this Policy; and
 - (b) any other applicable legislation.
- (5) The accounting officer may apply the committee system to formal written price quotations.

27. Bid specification committees

- (1) A bid specification committee must compile the specifications for each procurement of goods or services by the municipality.
- (2) Specifications –
 - (a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
 - (b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
 - (c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
 - (d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labeling of conformity certification;
 - (e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
 - (f) must stipulate the appropriate preference point system to be utilized in the evaluation and adjudication of bids in terms of the points system set out in the Preferential Procurement Regulations 2011; and
 - (g) must be approved by the accounting officer prior to publication of the invitation for bids in terms of paragraph 22 of this Policy.



- (3) A bid specification committee must be composed of one or more officials of the municipality preferably the manager responsible for the function involved, and may, when appropriate, include external specialist advisors.
- (4) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

28. Bid evaluation committees

- (1) A bid evaluation committee must –
 - (a) evaluate bids in accordance with –
 - (i) the specifications for a specific procurement; and
 - (ii) the points system set out in terms of paragraph 27(2)(f).
 - (b) evaluate each bidder's ability to execute the contract;
 - (c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and;
 - (d) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.
- (2) A bid evaluation committee must as far as possible be composed of-
 - (a) officials from departments requiring the goods or services; and
 - (b) at least one supply chain management practitioner of the municipality.

29. Bid adjudication committees

- (1) A bid adjudication committee must –
 - (a) consider the report and recommendations of the bid evaluation committee; and
 - (b) either –
 - (i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or
 - (ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.
- (2) A bid adjudication committee must consist of at least four senior managers of the municipality which must include –
 - (a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and
 - (b) at least one senior supply chain management practitioner who is an official of the municipality; and
 - (c) a technical expert in the relevant field who is an official, if such an expert exists.
- (3) The accounting officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.
- (4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.



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- (5) (a) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –
 - (i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
 - (ii) notify the accounting officer.
- (b) The accounting officer may –
 - (i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a); and
 - (ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.
- (6) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- (7) The accounting officer must comply with section 114 of the Act within 10 working days

30. Procurement of banking services

- (1) A contract for banking services –
 - (a) must be procured through competitive bids;
 - (b) must be consistent with section 7 or 85 of the Act; and
 - (c) may not be for a period of more than five years at a time.
- (2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- (3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

31. Procurement of IT related goods or services

- (1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- (2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
- (3) The accounting officer must notify SITA together with a motivation of the IT needs if –
 - (a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
 - (b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).
- (4) If SITA comments on the submission and the municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.



32. Procurement of goods and services under contracts secured by other organs of state

- (1) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if –
 - (a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
 - (b) there is no reason to believe that such contract was not validly procured;
 - (c) there are demonstrable discounts or benefits to do so; and
 - (d) that other organ of state and the provider have consented to such procurement in writing.
- (2) Subparagraphs (1)(c) and (d) do not apply if –
 - (a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
 - (b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

33. Procurement of goods necessitating special safety arrangements

- (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.
- (2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

34. Proudly SA Campaign

- (1) The Msunduzi Municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from:
 - Firstly – suppliers and businesses within the municipality or district;
 - Secondly – suppliers and businesses within the relevant province;
 - Thirdly – suppliers and businesses within the Republic.

35. Appointment of consultants

- (1) The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.
- (2) Consultancy services must be procured through competitive bids if
 - (a) the value of the contract exceeds R200 000 (VAT included); or
 - (b) the duration period of the contract exceeds one year.
- (3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –
 - (a) all consultancy services provided to an organ of state in the last five years; and
 - (b) any similar consultancy services provided to an organ of state in the last five years.



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- (4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality.

36. Deviation from, and ratification of minor breaches of, procurement processes

- (1) The accounting officer may –
 - (a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
 - (i) in an emergency;
 - (ii) if such goods or services are produced or available from a single provider only;
 - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) acquisition of animals for zoos and/or nature and game reserves; or
 - (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
 - (b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.
- (2) The accounting officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.
- (3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

37. Unsolicited bids

- (1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.
- (2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –
 - (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
 - (b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
 - (c) the person who made the bid is the sole provider of the product or service; and
 - (d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.
- (3) If the accounting officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –
 - (a) reasons as to why the bid should not be open to other competitors;
 - (b) an explanation of the potential benefits if the unsolicited bid were accepted; and
 - (c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.



- (4) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.
- (5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.
- (6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.
- (7) When considering the matter, the adjudication committee must take into account –
 - (a) any comments submitted by the public; and
 - (b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.
- (8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- (9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered into or signed within 30 days of the submission.

38. Combating of abuse of supply chain management system

- (1) The accounting officer must–
 - (a) take all reasonable steps to prevent abuse of the supply chain management system;
 - (b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
 - (i) take appropriate steps against such official or other role player; or
 - (ii) report any alleged criminal conduct to the South African Police Service;
 - (c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
 - (d) reject any bid from a bidder–
 - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or
 - (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
 - (e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
 - (f) cancel a contract awarded to a person if –
 - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and



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- (g) reject the bid of any bidder if that bidder or any of its directors –
 - (i) has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;
 - (ii) has been convicted for fraud or corruption during the past five years;
 - (iii) has willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - (iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- (2) The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy.

Part 3: Logistics, Disposal, Risk and Performance Management

39. Logistics management

- (1) The accounting officer must establish and implement an effective system of logistics management, which must include -
 - (a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
 - (b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
 - (c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
 - (d) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
 - (e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
 - (f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
 - (g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

40. Disposal management

- (1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act, are as follows:
 - (i) the accounting officer must establish and implement an appropriate disposal management system in order to ensure that the disposal or letting of assets, including unserviceable, redundant or obsolete assets is in terms of the MFMA;
 - (ii) the disposal management system must include the disposal plan, market assessment, disposal method, how to execute the disposal and the updating of the procurement plan and asset register.



- (2) Assets may be disposed of by
 - (i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of asset;
 - (ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
 - (iii) selling the asset; or
 - (iv) destroying the asset.
- (3) The accounting officer must ensure that –
 - (a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
 - (b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
 - (c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
 - (d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
 - (e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
 - (f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
 - (g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

4I. Risk management

- (1) The criteria for the identification, consideration and avoidance of potential risks in the supply chain management system, are as follows:
 - (a) the Chief Financial Officer must;
 - (i) assess the nature and extent of the risks associated with the municipality's operation
 - (ii) decide the degree of tolerance or an acceptable level of loss or degree of failure
 - (iii) decide how to manage or minimize the risks identified
 - (iv) monitor, report and from time to time reassess the level and implication of the risk exposure
 - (v) maintain a risk register that identifies and assesses all known risks and the action taken to manage those risks
 - (b) the risk register must be regularly updated and the outcome reported to the Executive committee
- (2) Risk management must include –
 - (a) the identification of risks on a case-by-case basis;
 - (b) the allocation of risks to the party best suited to manage such risks;
 - (c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
 - (d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and



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- (e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.
- (f) the Senior Managers: Finance must effect all insurance cover and maintain a record of all policy details for noted financial risks
- (g) the Strategic Executive Managers are responsible for implementing the risk management policy, including financial risks within their business units
- (h) projects sureties must be determined according to affordability and risk for different categories of contracts as follows:

Project Type	JBCC	GCC	Project Value
Micro	0%	0%	Not Exceeding R60 000
Small	0%	0%	Not Exceeding R100 000
Medium	5%	5%	Not Exceeding R500 000
Major	JBCC	GCC	Exceeding R500 000

- (i) the minimum for retention monies held from a contractor during the construction period must be determined according to affordability and risk for different categories of contracts as follows:

Project Type	JBCC	GCC	Project Value
Micro	2.5%	2.5%	Not Exceeding R60 000
Small	3.5%	3.5%	Not Exceeding R100 000
Medium	5%	5%	Not Exceeding R500 000
Major	JBCC	GCC	Exceeding R500 000

- (j) payments for small and micro projects must be made within 14 days after submission of a valid tax invoice which has been approved by the Msunduzi Municipality's Representative or as specified in the municipality's Special Conditions of Contracts
- (k) the municipality shall at its discretion, accept signed cessions by Small Medium Enterprises to suppliers so that payments are made directly to suppliers for the supply of materials as a form of assisting Small Medium Enterprises. All cessions shall be in terms of the conditions of the GCC or JBCC, whichever is appropriate
- (l) the service provider may not cede or assign a contract or any monies due or that may become due to it, without the prior written consent of the Head: Supply Chain Management or in terms of the conditions of the contract.
- (m) penalties on late completion of work shall be as per the GCC or JBCC or as specified in the tender documents
- (n) the senior managers: Finance with the assistance from relevant Senior managers shall carry out all negotiations with insurers, in respect of insurance claims, where necessary.
- (o) the value and the responsibility for specific insurances required by contractors and service providers shall be specified in the tender documents
- (p)
 - (i) in some instances it may be in the best interest of the municipality to allow price adjustments due to escalation.
 - (ii) a careful analysis of escalation clauses and formulas should be taken into account to ensure that the best interests of the municipality are served.
 - (iii) if the accounting officer resolves to allow escalation, this must be specified in the bid documents, including the formula and the time frames at which intervals such price adjustments will be considered.



- (q)
 - (i) exchange rate fluctuations must be considered when items are imported or have imported component.
 - (ii) the future fluctuations of the rand are particularly important if the contract period is over a specific period or if delivery is due at a date some time in the future.
 - (iii) the accounting officer must make a decision as whether or not the municipality will take risk or whether suppliers will be allocated the risk.
 - (iv) The standard approach is that the bidder must arrange for forward cover.
 - (v) An award made during tender validity period expiring, the price will remain fixed and firm
- (r)
 - (i) extra works or variations and extensions to a contract shall be authorized in writing by the appropriate Senior manager or duly authorized official
 - (ii) any variation and extension of contract which would produce an increase in the amount of an accepted tender or approved budget shall be reported to the adjudication committee and will require the approval of the Adjudication Committee and/or Accounting Officer before any payment is made.
 - (iii) contracts may be extended, varied or expanded by not more than 20% (including all applicable taxes) for construction related goods, works and/or services and 15% (including all applicable taxes) for all other goods, works and/or services of the original value of the contract.
 - (iv) Furthermore, anything beyond the abovementioned thresholds must be reported to Council, any expansion, extension or variation in excess of these thresholds must be dealt with in terms of the provisions of the section 116(3) of the MFMA which will be regarded as an amendment to the contract.
- (s) The Msunduzi Municipality may, prior to the award of the bid, cancel the bid if:
 - (i) due to changed circumstances there is no longer a need the goods or services for which the bid were solicited;
 - (ii) funds are no longer available to cover the total envisaged expenditure; or
 - (iii) no acceptable bids were received
- (t) The Msunduzi Municipality may reject all bids if and when deemed necessary.

42. Performance management

- (1) The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.
- (2) In the monitoring of supply chain management performance, the accounting officer together with the Chief Financial Officer, must set goals and performance criteria for SCM officials against which performance can be measured,
- (3) Issues that need to be included in the relevant reviews include:
 - (a) achievement of goals
 - (b) compliance to norms and standards
 - (c) savings generated
 - (d) Stores efficiency
 - (e) cost variances per item and across business units
 - (f) contract management
 - (g) cost efficiency of the procurement process
 - (h) supply chain management objectives in line with the provisions of the CIDB Act and regula-



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- tions
- (i) principles of co-operative governance as expounded in the Constitution are observed
- (j) regional economic disparities are being addressed and promoted.

Part 4: Other matters

43. Prohibition on awards to persons whose tax matters are not in order

- (1) No award above R30 000 may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.
- (2) Before making an award to a person the accounting officer must first check with SARS whether that person's tax matters are in order.
- (3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.

44. Prohibition on awards to persons in the service of the state

- (1) Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –
 - (a) who is in the service of the state;
 - (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
 - (c) a person who is an advisor or consultant contracted with the municipality.

45. Awards to close family members of persons in the service of the state

- (1) The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –
 - (a) the name of that person;
 - (b) the capacity in which that person is in the service of the state; and
 - (c) the amount of the award.

46. Ethical standards

- (1) A code of ethical standards as set out in the National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management is hereby established for officials and other role players in the supply chain management system of the municipality in order to promote –
 - (a) mutual trust and respect; and
 - (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.



(2) General Principles

- (a) the municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty to act in the public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor for themselves, their family or their friends.
- (b) Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies and guidelines. They should ensure that public resources are administered responsibly.
- (c) Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

(3) Conflict of interest

An official or other role player involved with supply chain management –

- (a) must treat all providers and potential providers equitably;
- (b) may not use his or her position for private gain or to improperly benefit another person;
- (c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
- (d) must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
- (e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by the municipality;
- (f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
- (g) must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest;
- (h) should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and
- (i) should not take improper advantage of their previous office after leaving their official position.

(4) Accountability

- (a) Practitioners are accountable for their decisions and actions to the public.
- (b) Practitioners should use public property scrupulously.
- (c) Only accounting officers or their delegates have the authority to commit the municipality to any transaction for the procurement of goods and / or services.
- (d) All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.
- (e) Practitioners must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system.



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- (f) Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including
 - (i) any alleged fraud, corruption, favouritism or unfair conduct;
 - (ii) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and
 - (iii) any alleged breach of this code of conduct.
- (g) Any declarations made must be recorded in a register which the accounting officer must keep for this purpose. Any declarations made by the accounting officer must be made to the mayor who must ensure that such declaration is recorded in the register.

(5) Openness

- (a) Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

(6) Confidentiality

- (a) Any information that is the property of the municipality or its providers should be protected at all times. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractor's personal rights.
- (b) Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after separation from service.

(7) Bid Specification / Evaluation / Adjudication Committees

- (a) Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.
- (b) Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.
- (c) All members of bid adjudication committees should be cleared by the accounting officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.
- (d) No person should-
 - i. interfere with the supply chain management system of the municipality; or
 - ii. amend or tamper with any price quotation / bid after its submission.

(8) Combative Practices

- (a) Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:
 - (i) Suggestions to fictitious lower quotations;
 - (ii) Reference to non-existent competition;
 - (iii) Exploiting errors in price quotations / bids;



- (iv) Soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters.

- (9) A breach of the code of ethics must be dealt with as follows -
 - (a) in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
 - (b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.
 - (c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

47. Inducements, rewards, gifts and favours to municipalities, officials and other role players

- (1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant -
 - (a) any inducement or reward to the municipality for or in connection with the award of a contract; or
 - (b) any reward, gift, favour or hospitality to -
 - (i) any official; or
 - (ii) any other role player involved in the implementation of this Policy.
- (2) The accounting officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- (3) Subparagraph (1) does not apply to gifts less than R350 in value.

48. Sponsorships

- (1) The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is -
 - (a) a provider or prospective provider of goods or services; or
 - (b) a recipient or prospective recipient of goods disposed or to be disposed.

49. Objections and complaints

- (1) Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

50. Resolution of disputes, objections, complaints and queries

- (1) The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes -
 - (a) to assist in the resolution of disputes between the municipality and other persons regarding -



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- (i) any decisions or actions taken in the implementation of the supply chain management system; or
 - (ii) any matter arising from a contract awarded in the course of the supply chain management system; or
- (b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- (2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- (3) The person appointed must –
 - (a) strive to resolve promptly all disputes, objections, complaints or queries received; and
 - (b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.
- (4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –
 - (a) the dispute, objection, complaint or query is not resolved within 60 days; or
 - (b) no response is forthcoming within 60 days.
- (5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.
- (6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

51. Contracts providing for compensation based on turnover

- (1) If a service provider acts on behalf of Msunduzi Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate –
 - (a) a cap on the compensation payable to the service provider; and
 - (b) that such compensation must be performance based.

52. Commencement

- (1) This Policy takes effect on 01 November 2012



RECOMMENDATION

1. On 20th May 2013 the Council met in the Council Chambers of Msunduzi City Hall to consider the annual budget of the municipality for the financial year 2013/14. The committee recommend to Executive Committee for approval and adoption of budget as per the following resolutions:
2. Council of Msunduzi Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) recommends for adoption as follows:
3. The annual budget of the municipality for the financial year 2013/14 and the multi-year and single-year capital appropriations as set out in the following tables:
4. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2;
5. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3;
6. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4 on page; and
7. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.
8. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
9. Budgeted Financial Position as contained in Table A6;
10. Budgeted Cash Flows as contained in Table A7;
11. Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;
12. Asset management as contained in Table A9; and
13. Basic service delivery measurement as contained in Table A10.
14. The Council of Msunduzi Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) recommends to EXCO for approval and adoption with effect from 1 July 2013:
 - 14.1. the tariffs for property rates – as set out in Annexure A,
 - 14.2. the tariffs for electricity – as set out in Annexure A
 - 14.3. the tariffs for the supply of water – as set out in Annexure A
 - 14.4. the tariffs for sanitation services – as set out in Annexure A
15. the tariffs for solid waste services – as set out in Annexure A
16. All the budget related policies as per the Annexure are submitted in terms of S7 of Municipal Budget and Reporting Regulations
17. The Council of Msunduzi Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) recommends to EXCO for approval and adoption with effect from 1 July 2013 the tariffs for other services, as set out in Annexures A.
18. To give proper effect to the municipality's annual budget, the Committee of Msunduzi Municipality recommends for approval:
19. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.



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2013/14 to 2015/16



NOTES

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2013/14 to 2015/16



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